

ANNUAL REPORT 2024

Collaboration, Innovation, Passion

BRINGING IT TOGETHER

Need manpower?
Let our **Crew** find yours

Let's get those shifts covered.
All in a few taps with ease

Building a strong team
starts with the right strategy,
let leaps show you how!

Business
Consultation

Growing your team in Asia?
dōudou handles Employer of Record
services, so you can focus on what matters!

Hey, I'm Zoey, and this is Ollie!
With **octomate**, paying your team is
Instant, fuss-free, and available 24/7!

Let **AlwaysHRnet** build the future
of the semiconductor industry together,
with the best people onboard!

HRnetGroup

19
Brands

40
Business Units

17
Cities



Table of Contents

Our Business Models	02
Where We Are	08
Our Growth Story	10
Board of Directors	12
Letter to Shareholders	18
Financial Highlights	20
Sustainability Report	27
Corporate Information	62
Corporate Governance	63
Financial Report	92
Shareholding Statistics	144
Notice of Annual General Meeting	146
Proxy Form	

Our Business Models

Talent is the driving force behind every thriving organisation, and finding the right people requires expertise, precision, and agility. Our two core solutions—Professional Recruitment and Flexible Staffing—are designed to meet the evolving needs of businesses across industries.

With Professional Recruitment, we leverage deep market insights and a vast network to connect companies with top-tier, permanent talent who drive long-term success. Meanwhile, our Flexible Staffing solutions provide businesses with the agility to scale their workforce efficiently, ensuring they have the right skills at the right time.

Backed by our network of 1,056 talents across 17 cities, we offer unparalleled expertise and resources, with each professional bringing deep knowledge across talent verticals. Whether securing high-calibre professionals or deploying a dynamic workforce, we are committed to delivering tailored talent solutions that empower our clients to achieve their goals.

Professional Recruitment



Clients need talents for mid to senior level positions.



We source, interview, recommend and select qualified and suitable candidates.



We facilitate contract negotiation.



Clients hire successful candidates, and they start work.



We bill clients a percentage of the successful candidates' 1st year remuneration.

Our Brands

HRnetOne

HRnetRimbun

PeopleSearch

PeopleFirst

SEARCHASIA
MANAGING CAREERS PROCURING TALENT

RECRUITLEGAL
MANAGING LEGAL CAREERS PROCURING LEGAL TALENT

REFORCE

AlwaysHRnet

Cities



Singapore



Kuala Lumpur



Jakarta



Bangkok



Hong Kong SAR



Taipei



Shenzhen



Guangzhou



Chengdu



Suzhou



Shanghai



Beijing



Xi'an



Seoul



Tokyo



Our Business Models

Flexible Staffing



Clients need contractors.



We source, recommend, and hire the contractors on our payroll on a back-to-back basis.



We pay the contractors and take responsibility for their insurance and benefits as their employer.



We bill clients a service fee which is a percentage marked up on payroll and employee benefit costs incurred.

Our Brands

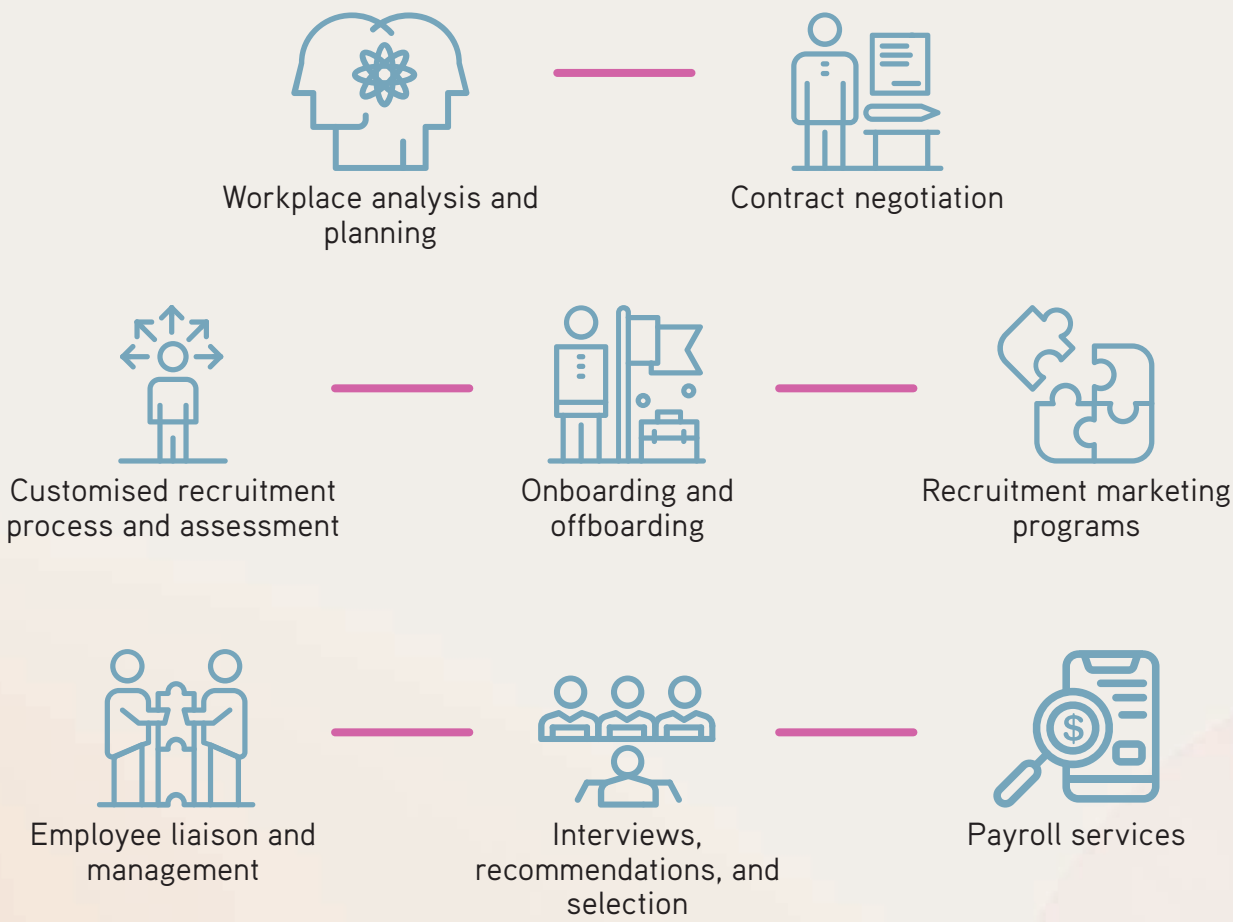


Cities



Other Services

Recruitment Process Outsourcing (RPO)



HR Fintech

ease

octomate

HR Consultancy

Employer of Record (EOR)

leaps
by HRnet

doudou

Say Hello to

Crew
by HRnet

The people business is our business. Crew by HRnet specialises in providing both local and foreign mass manpower supply, as well as Business Process Outsourcing services across all industries. We are committed to driving business success through effective and reliable manpower solutions by offering comprehensive end-to-end recruitment. Our seamless process simplifies hiring, helping businesses improve efficiency and focus on their core operations.

doudou

DouDou specialises in Employer of Record (EOR) services, enabling seamless global employment through in-house legal entities across Asia. We ensure full compliance, data security, and cost efficiency while managing payroll, tax, work visas, and employee benefits—helping businesses to expand effortlessly without the need for local entities.

leaps
by HRnet

LEAPS by HRnet specialises in consultancy that helps businesses navigate complex HR challenges. With expertise in workforce transformation, organisational development, and leadership integration, we provide tailored solutions that drive efficiency, agility, and sustainable growth. Through strategic consulting and seamless implementation, we empower businesses to build resilient and future-ready workforces.

alwaysHRnet

Talent drives innovation. AlwaysHRnet, a semiconductor recruitment specialist in Mainland China, connects companies with the right people to power the industry's growth. From executive search to recruitment outsourcing and campus hiring, we provide tailored talent solutions—backed by a network of over 500,000 professionals—to help businesses stay ahead in a rapidly evolving sector.



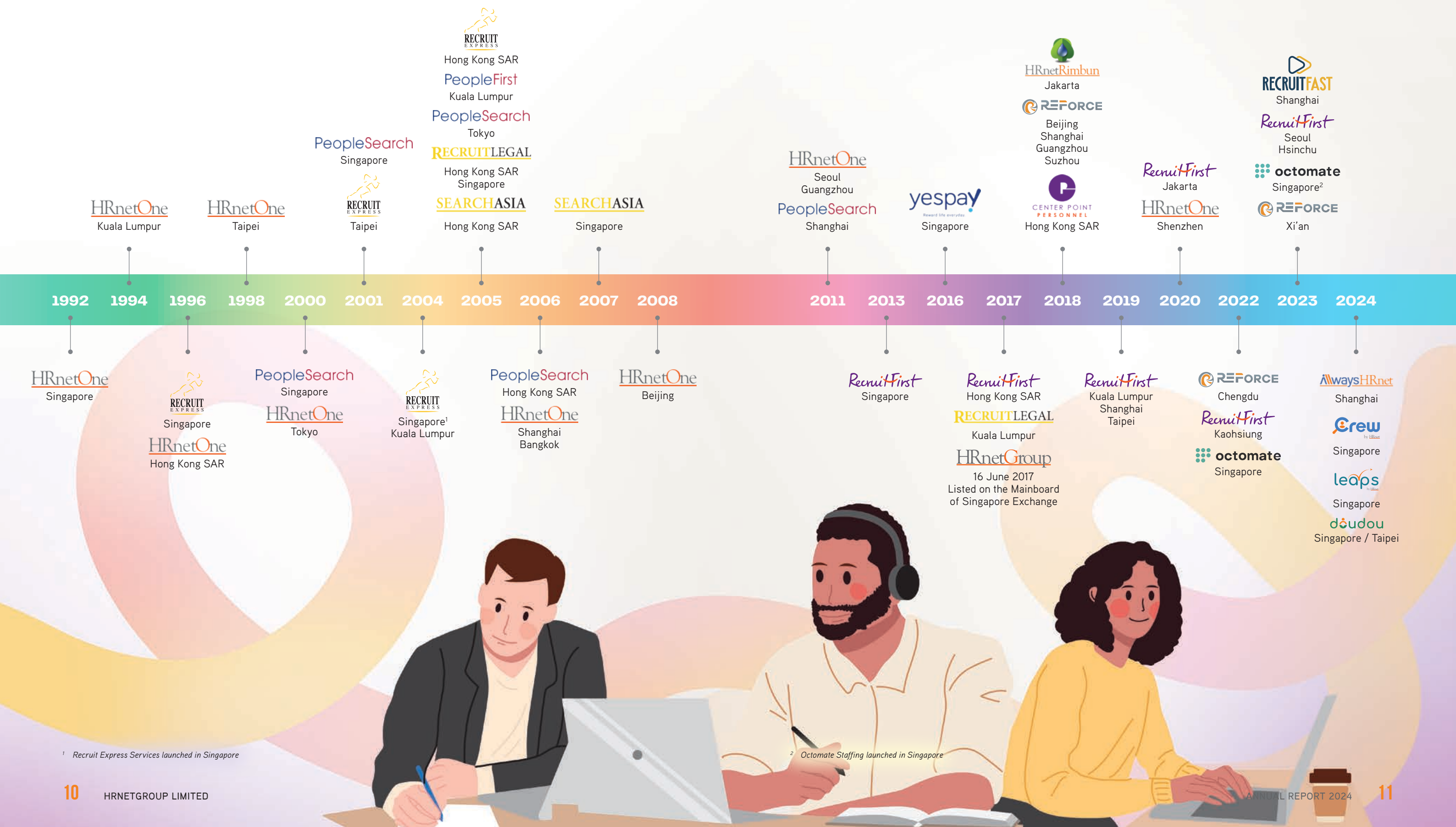
Where We Are

We are currently operating in **17** ASIAN TALENT MARKETS

Our geographical footprint across Asia comes from 32 years of organisation-building



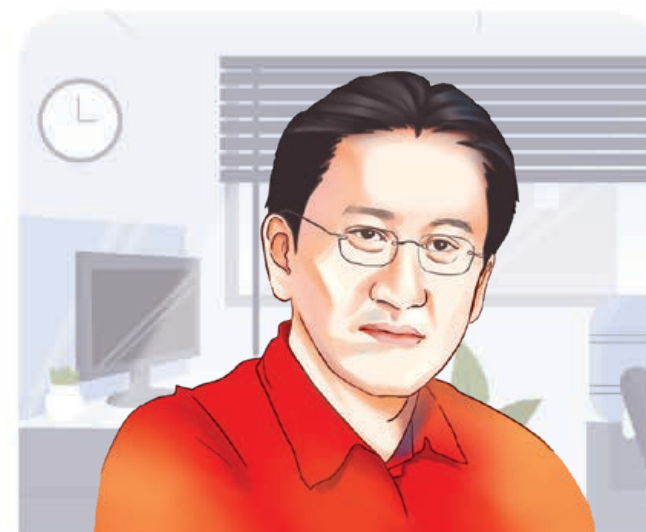
Our Growth Story



Meet Our Board



Board of Directors



PETER SIM

Executive Director & Founding Chairman

Peter Sim founded the company in 1992 and has over 40 years of expertise in social work, human resource management, and talent acquisition. He is an unparalleled authority on identifying the right talent for our organisation through his keen eye for assessing suitability and potential.

Despite having turned 71, Peter continues to work tirelessly. He is constantly engaging with our employees across the 17 cities in which we operate, making video-conferencing a suitable platform for him to connect with our teams. His ability to be present in Seoul, Shanghai, and Jakarta at 9am local time respectively showcases his adaptability. Also, Peter is unfazed by challenges of any kind. Instead, he focuses on refining our services, improving how we organise ourselves, and delivering more than our clients dream of asking for, which propels us forward.

Peter has played various HR roles at organisations including McDermott Southeast Asia Pte Ltd, the Monetary Authority of Singapore, Singapore Aerospace Pte Ltd and Thomson Consumer Electronics Pte Ltd. His last role before founding HRnetOne was as Regional Human Resource Director of Honeywell SEA Pte Ltd. He graduated with a Bachelor of Arts from the University of Singapore in 1976 and is also an associate of the Institute of Chartered Secretaries and Administrators, UK.



JS SIM

Executive Director & Chief Executive Officer of Recruit Express Group of Companies

JS is a living embodiment of the personality traits commonly attributed to those born in the year of the Rooster - diligence, resourcefulness, courage, talented, and confidence. His humble and practical approach to leadership, combined with his intelligence and determination, have been the driving forces behind his success.

JS leads a team of more than 200 people across Singapore, Taipei, Hong Kong SAR, and Kuala Lumpur. His unwavering commitment to excellence is reflected in the company's stringent recruitment process, where every candidate who aspires to join Recruit Express Group must undergo an interview with him. Leaders within the company are ecstatic when JS approves a candidate for hire, as his endorsement is considered the gold standard. He also personally conducts sales training for his elite team and tracks their progress through monthly missives to his leaders.

Prior to joining Recruit Express, JS held various roles at notable companies such as Aurora Products Pte Ltd, General Electric Intersil Pte Ltd, where he was the Human Resource Manager and Motorola Electrics Pte Ltd as the Regional Human Resource Director. JS graduated with a Bachelor of Science from the National University of Singapore in 1982 and received a Graduate Diploma in Personnel Management from the Singapore Institute of Management in 1984.

Board of Directors



ADELINE SIM
*Executive Director &
Chief Corporate Officer*

Adeline Sim is the Executive Director and Chief Corporate Officer of our Group. She leads strategic and tactical initiatives, and serves as a member of the Investment Committee. The Technology, Legal, Digital Marketing, Investor Relations, and Communication functions of the Group across 40 business units in 17 cities report directly into Adeline, as do the SEAOK business group which she drives.

On any given day, Adeline conducts business reviews with our consultants, catalyzes engagements with clients and candidates, forges relationships with key stakeholders, and works on initiatives to fuel the Group’s continued growth. Her passion for life and people fuels a demanding and varied schedule.

Prior to joining our Group in January 2009, Adeline practised as an advocate & solicitor with Drew & Napier LLC in dispute resolution as well as capital markets work. Adeline graduated with a Bachelor of Laws from the National University of Singapore in 2003, and was admitted to the Singapore Bar in 2004. She is also a Solicitor of the Supreme Court of England and Wales.

Adeline is the Chairman of the Lifelong Learning Institute and a Board Member of SkillsFuture Singapore. She is also a member of the Singapore Business Federation Human Capital Action Committee and the Tripartite Workgroup on Human Capital Capability Building (TWG-HC).



JENNIFER KANG
Executive Director & Group CFO

Jennifer’s journey began in 1989 when she joined Coopers & Lybrand as an auditor. She then went on to work with AT&T Singapore, where she was involved in the internal audit work. Subsequently, she assumed the role of Financial Controller and took charge of the IPO of a company onto the Singapore Exchange. Her experience with M&A work at BIL International Limited and corporate planning at Abacus International Pte Ltd have proven to be valuable assets throughout her career.

In 2003, Jennifer joined the Group as a Regional Finance Director and went on to lead one of our professional recruitment businesses in Malaysia in 2007. Her exceptional work ethics and business acumen led her to co-found HRnetOne Beijing in 2008 and assume the role of CFO of HRnetGroup in 2012. She was promoted to Group CFO in 2022 and appointed Executive Director in 2023.

Jennifer’s strong technical background and her ability to deal with ambiguity have helped her achieve success in a variety of projects. Whether it’s financial control, treasury work, navigating the HR industry for strategic investment opportunities, or executing deals with business owners for M&A, she is always up for a challenge.

Jennifer holds a Bachelor of Accountancy from the National University of Singapore in 1989 and a Master of Business in Information Technology from the Royal Melbourne Institute of Technology in Australia in 1998.



Board of Directors



MAE HENG
*Lead Independent Non-Executive Director,
Chairman of Audit & Remuneration Committees &
Member of Nominating Committee*

Mae is a valued member of our boardroom, contributing her extensive knowledge gained from 16 years at Ernst & Young Singapore. Her experience with companies operating in the region gives Mae a broad and rich lens when deliberating on subjects with fellow board members.

In addition to her role in our organisation, Mae serves as an Independent Non-Executive Director for organisations such as Chuan Hup Holdings Limited, Grand Venture Technology Limited, ISDN Holdings Limited, Progen Holdings Limited and Rex International Holding Limited.

Mae holds a Bachelor of Accountancy from the Nanyang Technological University in 1992 and is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants (ISCA) and a member of ASEAN Chartered Professional Accountant (ASEAN CPA).



WALLACE GAO
*Independent Director &
Member of Remuneration Committee*

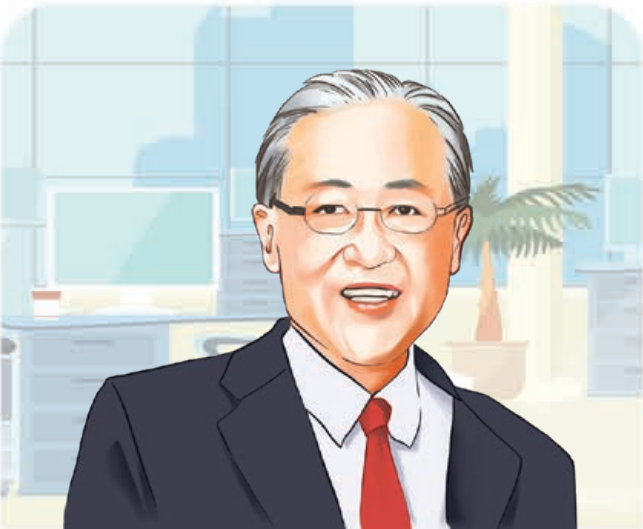
Wallace is a seasoned industry professional and is widely known for his leadership as the Chairman of Beijing Career International Co., Ltd. (Career International), the first HR service enterprise listed on China’s A-share market.

Wallace brings with him a wealth of experience in rapid innovation and business expansion, alongside laughter and song through his legendary performances at Career International’s company parties.

In the boardroom, Wallace has demonstrated his prowess by guiding Career International’s ascendancy in the recruitment process outsourcing (RPO) and flexible staffing markets in China. He has also successfully solidified Career International’s market leadership through strategic acquisitions in China and the United Kingdom, and by investing in HR technology and industry interconnectivity in line with the company’s “HR Service + HR Tech + Platform” business model.

Wallace’s impressive portfolio extends beyond Career International. He is also an Independent Director of Inmyshow Digital Technology (Group) Co., Ltd. He graduated with a Diploma in Business English from Beijing Foreign Studies University in 1995 and obtained his Executive Master of Business Administration (EMBA) from Peking University in 2005.

Board of Directors



HANK SATO
*Independent Director &
Member of Audit Committee*

With over 20 years of experience in leading and scaling up large, listed companies in Japan, Hank brings unmatched expertise to the table. He currently holds the CFO position at Open Up Group Inc, a recruitment company specialising in contract and staffing of engineers, listed on the mainboard of the Tokyo Stock Exchange.

Hank had also spearheaded the successful merger of BeNext and Yumeshin, resulting in the integration of businesses and an impressive 100% increase in the market capitalisation and size of the business which is now renamed as Open Up Group. His strategic vision and leadership played a critical role in the success of the merger.

Prior to his role at Open Up Group Inc, Hank was the CFO and a board member of Technopro Holdings, where he was instrumental in the success of the company's IPO in 2014. He continued to lead various M&A initiatives and cultivated a strong following of global institutional investors, earning him recognition as "Best CFO elected by Institutional Investors Magazine under the 2019 All-Japan Executive Team Ranking, Professional and consumer category".

Hank is a graduate of Keio University, Japan with a Bachelor of Economics since 1979. His expertise and accomplishments in finance and mergers and acquisitions make him a highly respected and sought-after professional in the industry.



PONG CHEN YIH
*Independent Director,
Chairman of Nominating Committee &
Member of Audit & Remuneration Committees*

Chen Yih is a prominent figure in the corporate finance industry, serving as the Chief Operating Officer of Novus Corporate Finance Pte. Ltd. (Novus), a distinguished firm licenced by both SGX-ST and the Monetary Authority of Singapore. Prior to joining Novus, he led the Singapore Capital Markets Group at Baker McKenzie Wong & Leow where he practiced law in capital markets work, compliance, investments and mergers and acquisitions.

With a wealth of experience and knowledge, Chen Yih is also an independent non-executive director of Singapore-listed Grand Venture Technology Limited and Rex International Holding Ltd. He is a sought-after speaker at both local and international conferences and seminars, where he imparts his insights and expertise on topics such as capital raising and Singapore Exchange listing requirements.

Chen Yih is a distinguished alumnus of the National University of Singapore, holding a Bachelor of Laws since 2001. His accomplishments and contributions to the industry are widely recognised and respected, making him a leader to watch in the corporate finance world.

Board of Directors



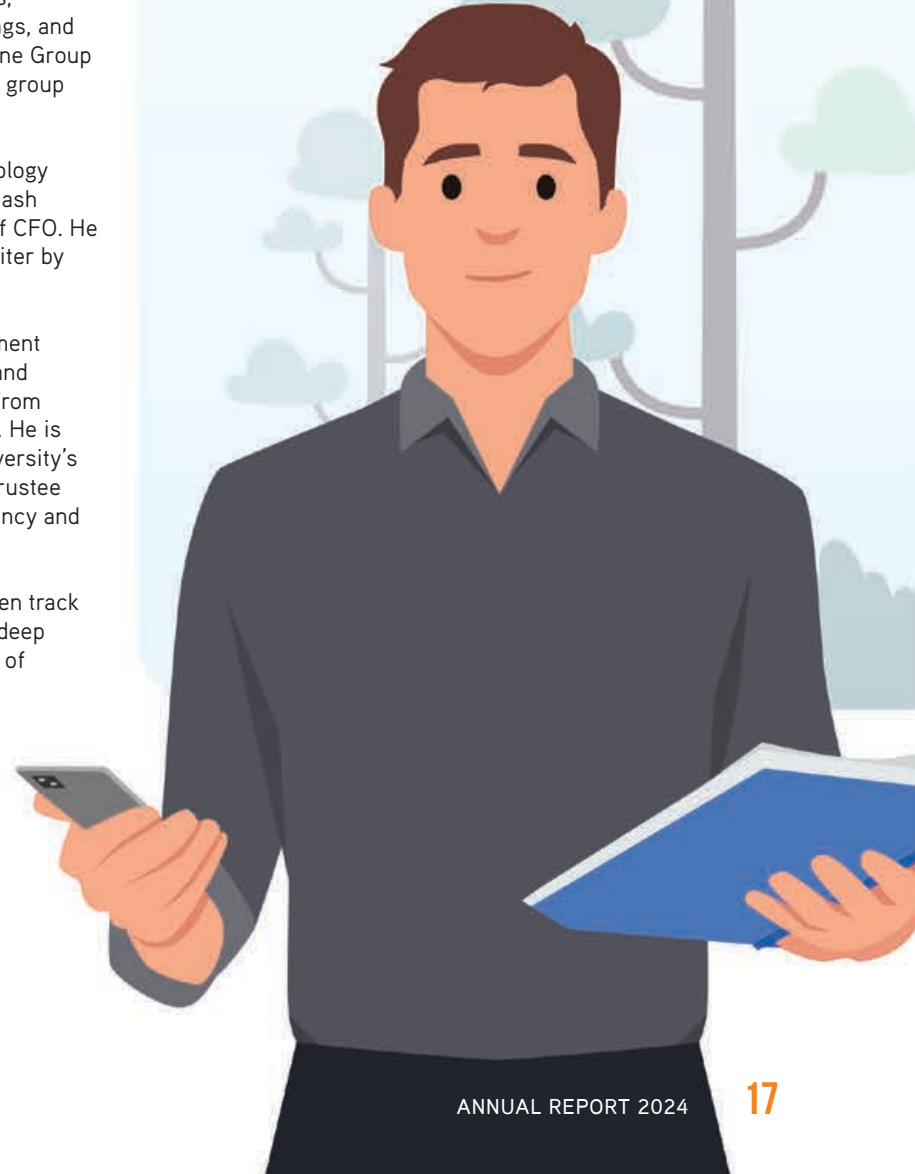
ALBERT ELLIS
Independent Director

Albert Ellis has an impressive 30-year track record in the recruitment sector, with a focus on growth strategies, acquisitions and disposals, turnarounds, equity raisings, and bank re-financings. He is currently the CEO of Staffline Group Plc, the UK's market leading recruitment and training group listed on the AIM of the London Stock Exchange.

Previously, Albert served as the CEO of global technology recruitment and IT outsourcing business at Harvey Nash Group for 15 years, where he also held the position of CFO. He started his career at Hays Plc, the UK's largest recruiter by market capitalisation.

In addition to his extensive experience in the recruitment industry, Albert is a qualified Chartered Accountant and holds a Bachelor of Accounting – Business Finance from University of Witwatersrand, South Africa since 1991. He is also one of the founding members of Cambridge University's Jesus College Perspective Conferences and was a Trustee on the Board of Asia House, an independent consultancy and research house, for many years.

Overall, Albert is an accomplished leader with a proven track record of success in the recruitment industry, and a deep understanding of the finance and accounting aspects of business.



Letter To Shareholders



REPORTING ON 2024

In a gritty, challenging year for us, revenue stayed near constant to 2023 at S\$567.0m, but gross profit softened 12.1% to S\$122.2m and NPAT declined 29.9% to S\$46.3m as other income fell.

THE OPERATING ENVIRONMENT

Looking back on 2024, the hoped for economic recovery of Mainland China, a key market failed to materialise, leading to sluggish demand in what had previously been a high growth market.

Back in Singapore, which in the last 2 years has gained ground as a key market for us, employers remained selective about bringing onboard permanent hires at volume, focusing on talent where there was greater certainty of value creation from the get go.

The uncertain and challenging macro conditions also translated into cost-conscious clients and tighter margins.

Pandemic-era Government schemes in support of the labour market have also run their course, leading to a significant drop in grants.

WHAT WE DID

Against that backdrop, we did what was in our control by working the ground for flexible staffing services and expanding the scope of our offerings to our clients to meet more of their needs.

Mass manpower supply brand CREW by HRnet, HR consulting practice LEAPS by HRnet and EOR brand Doudou were launched in 2024 in line with the plan we had shared last year to better partner our clients across products and geographies, and capture a broader segment of the HR dollar.

We are firmly convinced that we are moving in the right direction to partner our clients more comprehensively, integrating better into their HR and business needs, and deepening into the talent lifespan beyond the initial attraction and hiring.

2024 also marked the departure of some members of senior management, for whose many years of service we are grateful.

We did not however replace people managers who departed, strictly focusing on hiring fee earners as we shed weight.

Everyone is taking on additional scope and multiple hats as we de-layer — a good example would be our C-level colleagues taking on operational, startup and M&A sponsor roles.

BRINGING IT TOGETHER IN 2025: ACTION PLANS FOR COLLABORATION, INNOVATION, PASSION

A superior stakeholder experience will inevitably translate into better financial outcomes. So in 2025, we will drive collaboration and innovation with passion.

Collaboration across our 40 business units allows stakeholders to enjoy a seamless experience across the region as we draw clients in and work more closely.

Our collaborative workspaces in Singapore, Kuala Lumpur, Hong Kong SAR and Shanghai, each of which house multiple business units, are fertile grounds for cross-pollination of clients and services, and 2025 will see our business units in Jakarta moving into a HRnetGroup collaborative work space as well.

Innovation includes being relentless about improving the quality of our work, and heeding the call for on-demand talent and services.

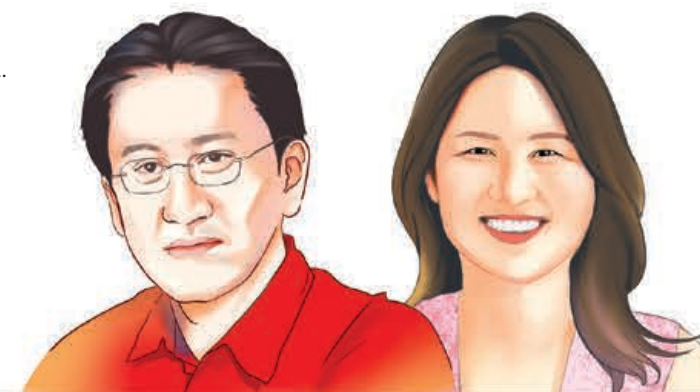
Our continued investment into technology means we are well placed to roll out enhancements across business units and geographies in real time, and our workforce management systems enable us to flexibly meet the needs of stakeholders, dialling up or down as required.

We are passionate about building out the group whilst staying lean, and will also continue investing into our candidate attraction platforms to diversify reliance on third parties.

With our spirit and energy amplified by technology, we are all set to do better in 2025.

Peter Sim
Executive Director and
Founding Chairman

Adeline Sim
Executive Director and
Chief Corporate Officer



Financial Highlights

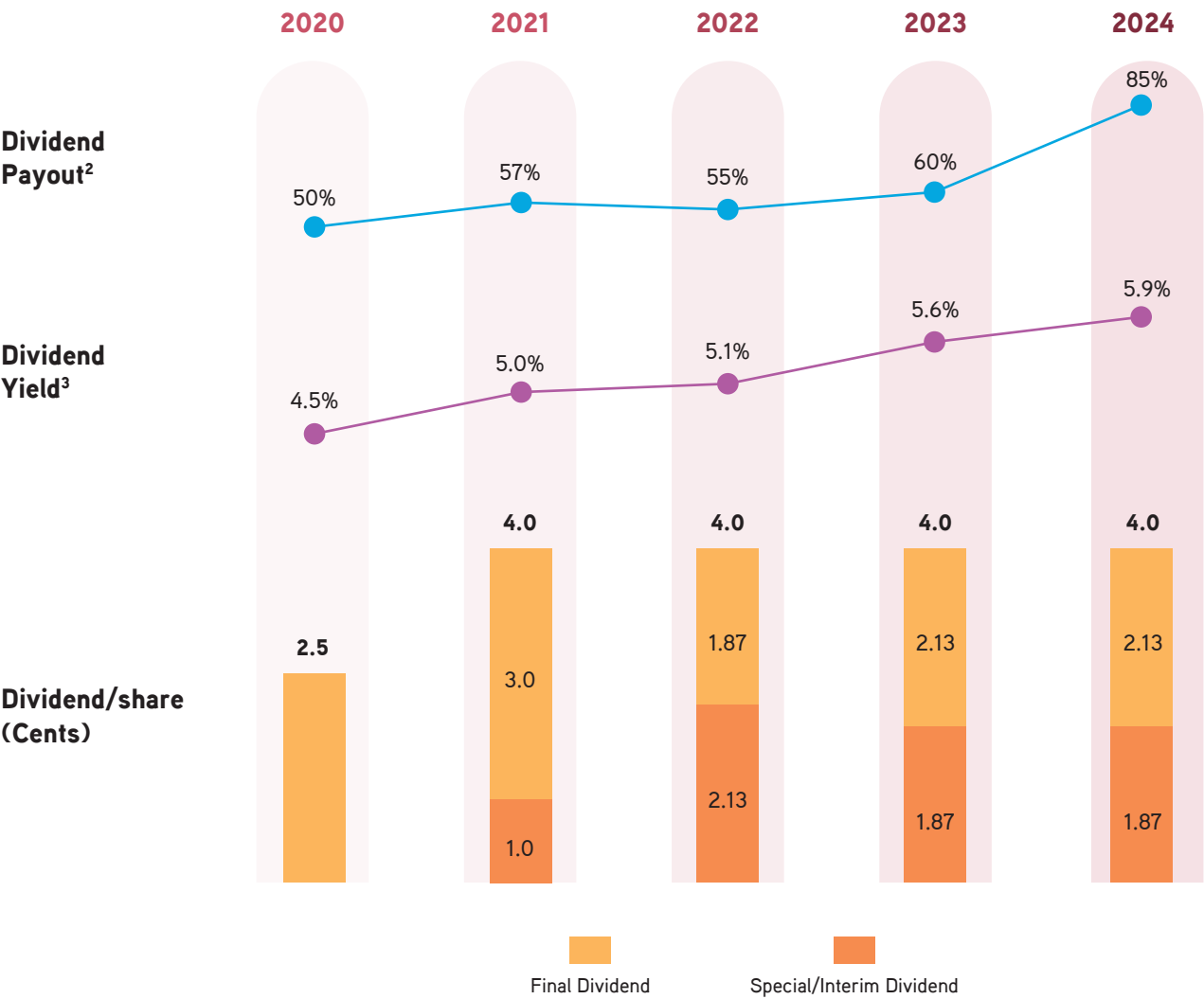
SHAREHOLDERS' RETURNS

The final dividend of 2.13 cents per share, representing an 88.9% payout from 2H2024 NPAT is proposed for shareholders' approval at the upcoming AGM on 25 April 2025 and then payout to shareholders in May 2025.

Together with the interim dividend of 1.87 cents, the Group's total dividend of 4.0 cents per share carries a yield of 5.9%¹. Dividend per share held constant despite the reduced earnings resulting from the challenging business climate.

Dividends paid out to shareholders totalled \$39.2m. Together with the \$3.3m Share Buyback, S\$42.5m was returned to shareholders, which is a very substantial 86% of free cash flow.

DIVIDENDS DECLARED



¹ Based on closing share price as of 31 December 2024
² Dividend Payout: Dividend/NPAT
³ Dividend Yield: Dividend/Closing Price as at last trading day of the year

Financial Highlights

SHARE BUYBACK

	S\$m
Share Buyback Programme	30.0
2022	(10.1)
2023	(5.4)
2024	(3.3)
2025 up to 13 March 2025	(0.9)
Balance for further buyback	10.3

CASH TO SHAREHOLDERS

	S\$m
Dividend Payout	39.2
Share Buyback	3.3
Total Cashout	42.5

KEY FINANCIALS

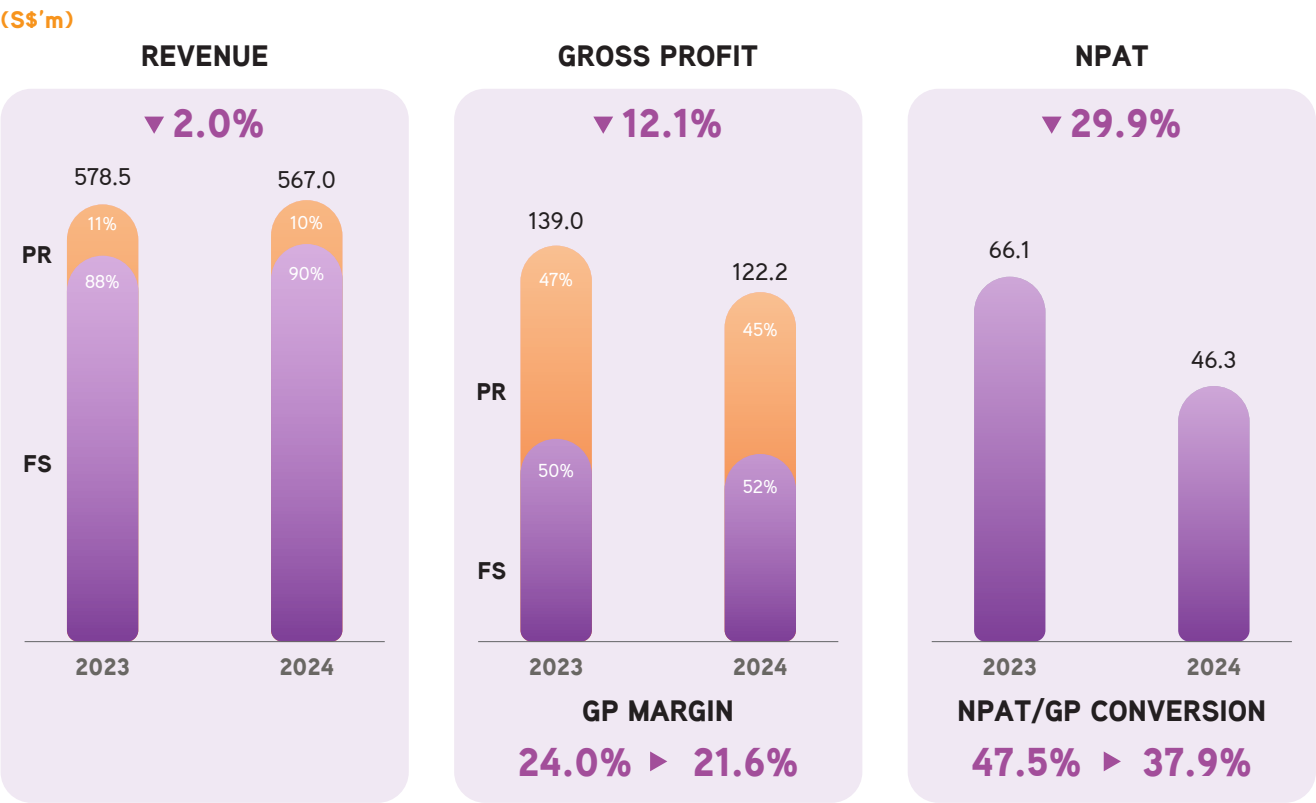
Revenue stayed near constant to 2023 at S\$567.0m, but Gross Profit (GP) softened 12.1% to S\$122.2m and Net Profit After Tax (NPAT) declined 29.9% to S\$46.3m as Other Income fell.

BUSINESS MIX

The Group's 2 key business segments, Flexible Staffing (FS) and Professional Recruitment (PR) continued to shift in segmental mix. FS revenue held steady at S\$508.0m, while PR revenue declined 16.2% to S\$54.9m. FS continues its rise in proportion from the previous year's 88% to 90%.

Similarly in GP terms, FS rose from the previous year's 50% to 52.4%. As a result of the business mix changes, the blended GP margin shifted from 24.0% to 21.6%.

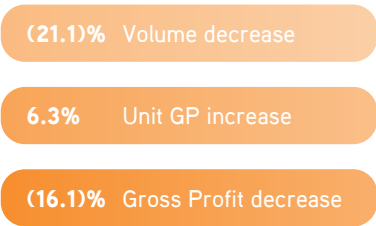
Conversion from GP to NPAT at 37.9% is above industry average.



Financial Highlights

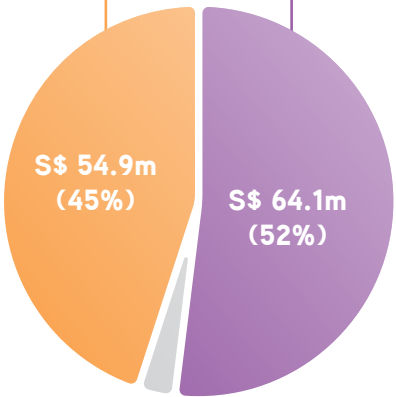
GP DYNAMICS

PROFESSIONAL RECRUITMENT

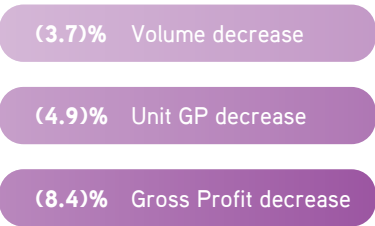


- PR GP and volume down across all regions.
- Unit GP up partly due to senior level assignments.

- FS Volume refers to average number of contractors 15,548 (2023: 16,141)
- PR Volume refers to number of placements 4,558 (2023: 5,774)
- FS Unit GP refers to average GP per contractor and PR Unit GP refers to average GP per placement



FLEXIBLE STAFFING



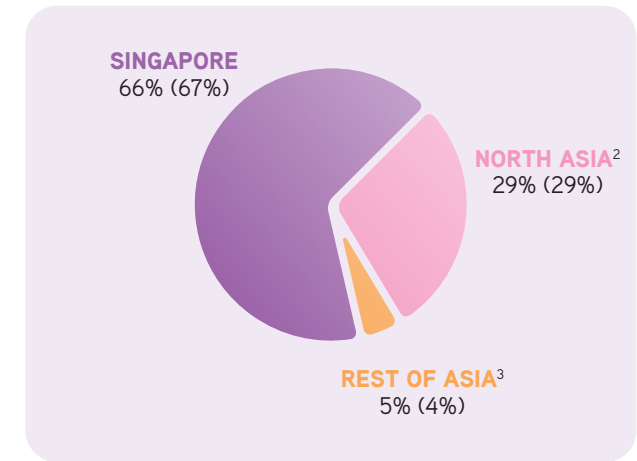
- FS Volume up in Jakarta, Taipei and Shanghai.
- Unit GP down mainly due to margin pressures in Singapore.

GEOGRAPHICAL DIVERSIFICATION

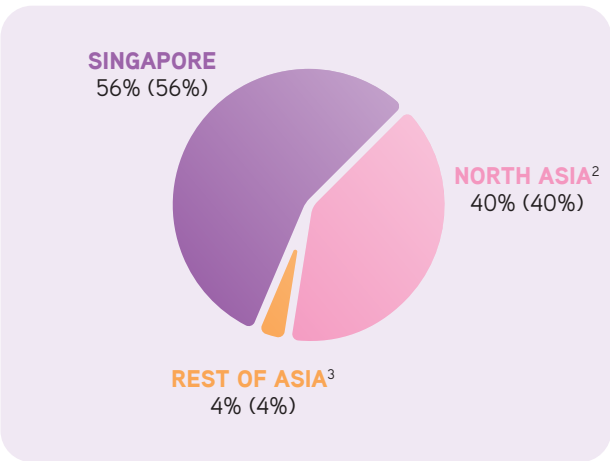
Across the Group's 17 operating cities, Hong Kong SAR, Jakarta, Taipei and Shanghai registered FS growth. GP contracted most severely in Singapore and Mainland China.

- Singapore is the largest revenue contributor at 66.3% (2023: 66.7%). Weak economic growth impacted both FS and PR segments, resulting in reduction of 2.6% in revenue and 12.7% in GP.
- Taipei as the Group's second largest contributor, held revenues and GP steady as a small dip in PR was offset by growth of similar extent in FS.
- In Mainland China, the economic uncertainties saw PR the dominant contributor experiencing an overall 11.1% slide in revenue and 25.4% reduction in GP.

REVENUE



GROSS PROFIT



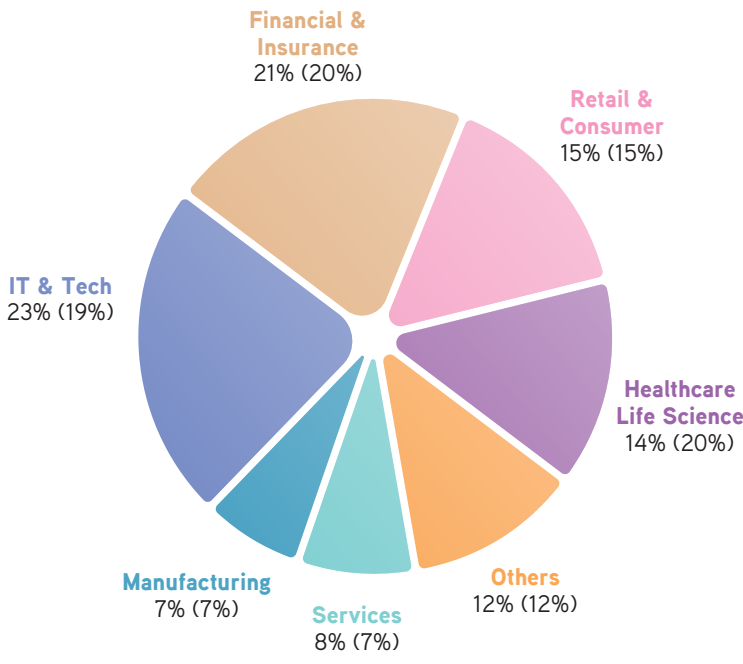
¹ 2023 figures in brackets.
² North Asia : Beijing, Shanghai, Shenzhen, Guangzhou, Suzhou, Chengdu, Xi'an, Taipei, Kaohsiung, Hsinchu, Hong Kong, Tokyo and Seoul.
³ Rest of Asia : Kuala Lumpur, Jakarta and Bangkok.

Financial Highlights

SECTOR DYNAMICS

Revenue showed strong momentum in sectors like IT, semiconductor, financial services and professional services, while healthcare, retail, and manufacturing faced headwinds.

Revenue from the public sector grew by 7.2% and contributed 15.0% (2023: 13.7%) to Group revenue.



* 2023 figures restated in brackets, including re-presenting Government as a dimension (Public vs Private sector) instead of an industry.

OUR TOP 5 CLIENTS HAVE BEEN WITH US FOR AN AVERAGE OF 19 YEARS

	Customer since	2024 Revenue Contribution
1. Client (Financial & Insurance)	2000	5.3%
2. Client (IT services)	2022	4.4%
3. Client (Financial & Banking)	2004	3.8%
4. Client (Retail & Consumer)	1999	2.4%
3. Client (Financial & Banking)	2001	2.0%
Contribution from Top 5 clients		17.9%
Contribution from Top 10 clients		25.6%

Financial Highlights

COST MANAGEMENT

The Group continued its tight rein on costs, resulting in 8.3% reduction in selling, general, and administrative (SG&A) expenses:

- 1. Employee benefits expense declined S\$7.2m or 10.0% due to reduction in profit-sharing incentives that were automatically adjusted by GP decline; and
- 2. Depreciation and facilities expenses increased 5.3% with office lease renewals, renovations and reinstatements undertaken to maximise space utilisation.
- 3. Other expenses reduced by S\$1.0m due to the non-recurrence of certain professional and legal expenses and foreign exchange revaluation movements.

	2024	2023	(Cost Savings)	
	\$'m	\$'m	\$'m	%
SG&A				
Employee Benefit Expenses	63.9	71.1	(7.2)	(10.0)
Payroll	49.8	51.5	(1.7)	(3.2)
Incentives/Bonuses	12.6	18.2	(5.6)	(30.7)
Others	1.5	1.4	0.1	7.8
Facilities & Depreciation	11.4	10.8	0.6	5.3
Selling, Finance & Others	6.3	7.1	(0.8)	(0.1)
	81.6	89.0	(7.4)	(8.3)

Financial Highlights

OTHER INCOME

Other income dropped 45.0% or S\$12.7m to S\$15.4m largely due to:

- 1. increase in interest income by S\$1.1m despite the falling interest rates. Our heightened cash sweep channelled more principal sums towards interest yielding instruments;
- 2. net fair value loss of S\$4.3m on revaluation of equity instruments mostly in the HR-related space, compared to a gain of S\$1.4m last year;
- 3. balance of trade related accruals amounting to S\$2.3m being fully reversed as compared to S\$9.3m in FY2023; and
- 4. reduction in government grants and subsidies by S\$2.4m due to cessation of the Jobs Growth Incentive (JGI) and delay in Progressive Wage Credit Scheme (PWCS) in Singapore. PWCS of S\$3.1m was received and recognised as 1H2025 income.

	2024	2023	Change	
	S\$'m	S\$'m	S\$'m	%
Interest income	8.0	6.9	1.1	16.1
Government grants and subsidies	6.8	9.2	(2.4)	(26.0)
Reversal of trade related accruals	2.3	9.3	(7.0)	(75.5)
Dividend income	0.9	0.8	0.1	8.4
Gain on disposal of investments	0.1	-	0.1	n.m.
Others	1.6	0.5	1.1	328.7
Net fair value (loss) gain on financial assets*	(4.3)	1.4	(5.7)	n.m.
Other income	15.4	28.1	(12.7)	(45.0)

*Mainly marketable securities in the HR space

Financial Highlights

STRONG CASH POSITION

The Group maintained a strong financial position with a combined cash balance and CLN/T-bills of S\$311.4m (2023: S\$311.6m). The cash position of S\$258.4m (2023: S\$271.6m) reflects a net cash outflow of S\$13.2m:



ZERO BORROWINGS
Cash + T-Bills
S\$258.4m¹ + S\$53.0m² = S\$311.4m

NET CASH OUTFLOW OF S\$13.2M

OPERATING	INVESTING	FINANCING	FOREX
+S\$51.6m	-S\$12.8m	-S\$51.5m	-S\$0.5m
<ul style="list-style-type: none">S\$59.2m operating cashflowS\$(7.6m) working capital changes & tax payments	<ul style="list-style-type: none">S\$(13.0m) net purchase of CLN ³/T-BillsS\$1.5m from disposal of other financial assetsS\$(1.3m) Capex & others	<ul style="list-style-type: none">S\$(41.0m) dividends paidS\$(5.9m) repayment of lease liabilitiesS\$(3.3m) share buybackS\$(1.3m) other financing activities	Effect of foreign exchange rate changes on Cash & Cash equivalents

¹ Cash & Cash equivalents
² T-Bills are short-term Singapore Government Securities (SGS) issued by MAS
³ Credit Linked Notes (CLN) are DBS issued notes with Monetary Authority of Singapore (MAS) bill as credit underlying

OTHER BALANCE SHEET ITEMS

Trade receivables remained fairly consistent in debtors' turnover.

Other payables and accruals declined by S\$2.2m due to lower net provisions for payroll related costs, trade related accruals being fully reversed, offsetting an increase in trade related deposits from clients.

Other financial assets (current) increased by S\$7.0m with the net purchase of S\$13.0m in CLN/Tbills offset by disposal of S\$1.4m of some HR-related equity investments at a profit, and a S\$4.6m revaluation loss of the remaining investments.

Other non-current assets of S\$2.9m relates to an opportunistic acquisition of an office unit for our own business use in Jakarta.

Sustainability Report 2024

Table of Contents

SUSTAINABILITY STATEMENT AND PERFORMANCE HIGHLIGHTS	28
GENERAL DISCLOSURES	30
MATERIAL TOPICS	36
Management of Material Topics	36
Empowering Our People	37
Strengthening Business Governance	42
Making Business Impact	46
Doing Our Part for the Environment	49
GRI CONTENT INDEX	56





Sustainability Statement and Performance Highlights

GRI 2-22

Sustainability Statement

We have continued integrating sustainability into our company operations. Given our business model, our direct impact on the environment is limited, but through our business, we want to make a positive impact on the world around us.

HRnetGroup does so by developing and implementing ethical business practices and securing a sustainable future. In doing so, we seek to create value for our shareholders and our broader stakeholders, including our employees and business partners, and the communities in which we operate. Our Commitment Statement can be found on our website at: <https://www.hrnetgroup.com/commitment.php>.

HRnetGroup believes in promoting a culture of positive growth and development for our people. We aim to provide high service quality to our clients and candidates while solidifying our business

operations with sound governance and ethical business practices to deliver sustainable financial performance.

We continue to have a deep commitment to our sustainability journey, and while we acknowledge that target-setting and measurability can be challenging, we have focused on getting our sustainability strategy and principles right over the medium- and long-term. Our key milestones on the journey have been:

- 2018: First stakeholder and sustainability reports, using GRI as a reference
- 2021: First major consultation of stakeholders on sustainability and material topics
- 2022: First sustainability report to include requirements by the Taskforce on Financial-Related Climate Disclosures

GRI 2-23

Policy Commitments

Our annual sustainability report adheres to the following regulations, policies, and guidelines:

- Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rule 711A and 711B.
- The report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021. The GRI content index is provided at the end of this report.
- Recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD),
- United Nations Sustainable Development Goals (which are broadly in line with the United Nations Global Compact), as well as,
- The recommended "SGX common core ESG" metrics, where possible.

In 2023, we further streamlined our sustainability reporting by consulting the different mappings now publicly available. These helped us to align the GRI reporting framework with the above frameworks and guidelines.

In 2024, to prepare for upcoming changes in climate reporting based on the SGX reporting roadmap, we have also referred to the International Financial Reporting Standard ("IFRS") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB").

Alignment with the different standards and frameworks can be found in the text margin for easy reference.

GRI 2-23

2024 Awards and Recognition



2024 Best Managed Companies
by Deloitte Private
HRnetGroup Limited



Young Business Leader of the Year 2024
Adeline Sim, Executive Director & Chief Corporate Officer
by The Business Times and DHL Express Singapore



2024 Human Resource Service Organization Top 100
by TopHR
HRnetGroup Limited



2024 Top 10 Foreign Headhunting Firms
by TopHR
HRnetGroup Limited



2024 Shanghai Human Resources Service Export Base Alliance Member
by the Shanghai Municipal Human Resources and Social Security Bureau
RecruitFirst Shanghai



2024 Outstanding Human Resources Service Providers
by the Shanghai Municipal Human Resources and Social Security Bureau
HRnetOne Shanghai



2024 Outstanding Human Resources Service Providers
by the Shanghai Municipal Human Resources and Social Security Bureau
PeopleSearch Shanghai

General Disclosures

About HRnetGroup and Sustainability Reporting

GRI 2-1	Organisational Details	
	HRnetGroup Limited (the “Company”) (Registration No.201625854G) is incorporated in Singapore with its principal place of business and registered office at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873.	<p>The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).</p> <p>The Company has operations in 17 cities, listed at the beginning of the Annual Report.</p>
GRI 2-2	Entities Included	
	This report includes sustainability activities of the same group of entities as covered in our financial report, unless specified. These entities are controlled by the Company and its subsidiaries. The criteria for control is the same as that used for financial reporting.	<p>This report does not report on minority interests.</p> <p>The basis of consolidation for this report is in line with that declared in Note 2 to the financial statements.</p>
GRI 2-3	Report Timelines	
	This is our seventh annual sustainability report, covering the financial year 1 January 2024 to 31 December 2024, which is the same period covered by the financial report. Both the financial and sustainability reports are part of the Annual Report 2024 published on 10 April 2025.	We are open to your feedback as we strive along our sustainability journey. If you have any enquiries or would like to find out more about HRnetGroup, please contact us at: ir@hrnetgroup.com .
GRI 2-4	Restatements	
	There are no restatements of information made in previous reports.	
GRI 2-5, GRI 2-14	External Assurance	
	<p>HRnetGroup’s Sustainability Report 2024 has been approved by the Board of Directors.</p> <p>Our sustainability information in this report has undergone an internal review in compliance with relevant policies. The review process included oversight by the Sustainability Steering Committee and the sustainability champions from the Board. The Board is of the view that the internal processes have ensured the integrity and credibility of the Company’s sustainability reporting.</p>	<p>The Board approved the policy of appointing a third party to validate our sustainability reporting internally with effect from 2023. The evaluation of our 2022 Sustainability Report was released on 15 March 2024.</p>

Business Activities and Workers

GRI 2-6

Activities and Value Chain

The principal activity of the Company is that of investment holding (SSIC 64202), and its subsidiaries are leading players in the personnel services industry. The principal activities of the significant subsidiaries are disclosed in Note 14 to the financial statements.

The Company’s business models, including their downstream activities, are disclosed in the front of the Annual Report. Further details of the customers can also be found in the stakeholder disclosures in this report.

Many supplier categories are very small. The most material elements of the Company’s supply chain are:

1. The building owners and managers from whom HRnetGroup rents its offices
2. Various job-posting platforms
3. Insurance

Details about the building owners and managers can be found in the environmental impact section of this report. We work with approximately 5 insurers and 3 main job posting platforms. Our business relationships with these are coordinated by the supplier’s account managers and we take a long-term view of our relationship and partnership.

There were no significant changes to the above in 2024.

GRI 2-7

Employees and Non-Employee Workers

By gender	Permanent employees	Internal contractor employees	Outsourced contractors
Male	214	47	16,351
Female	579	216	23,951
Total	793	263	40,302

By region	Permanent employees	Internal contractor employees	Outsourced contractors
Greater China	390	113	14,752
Singapore	256	99	20,514
Rest of Asia	147	51	5,036
Total	793	263	40,302

Permanent employees are HRnetGroup’s employees under a full-time permanent contract. Internal contractor employees are under a fixed term or temporary contract, some of which are part-time. Outsourced contractors under the Flexible Staffing business are under HRnetGroup’s payroll but worked for HRnetGroup’s clients in 2024.

Our permanent and internal contractor employee data are reported by headcount, as at the end of the reporting period, i.e., 31 December 2024. Outsourced contractors are unique headcount through 2024.



GRI 2-30 None of our employees are covered by collective bargaining agreements.

GRI 2-8 There were 26 non-employee workers whose work or workplace was controlled by HRnetGroup in 2024. These were workers hired via in contracts for service, i.e., part-timers, university ambassadors, and interns.

Governance

GRI 2-9, GRI 2-10, GRI 2-11 About the Board of Directors

The highest governing body of the Company is the Board of Directors. Details are reported in the Corporate Governance Report:

- Governance structure and committees – Provisions 1.1 to 1.4
- Composition – Provision 2
- Chairperson – Provision 3
- Nomination and selection processes – Provision 4

GRI 2-15 All Board members submit a declaration of conflicts of interest annually. Their membership in other boards is reported in Provision 1.5 of the Corporate Governance Report.

The Board has declared that there are no cross-shareholdings with suppliers and other major stakeholders.

The controlling shareholder is SIMCO Global Limited which is controlled by the SIM Family, and their conflicts of interest are addressed through the Audit Committee’s Interested Party Transaction process. Any conflicts are disclosed in the Corporate Governance Report.



GRI 2-12, GRI 2-13, GRI 2-14, TCFD 1,2,6,7,9

The Board’s Role in Sustainability

Our Board upholds HRnetGroup’s mission to build a more sustainable working environment by connecting the right people to the right roles while operating responsibly.

The Board works with the Management to engage with stakeholders, listening to their feedback and consulting their views on various management issues, including sustainability.

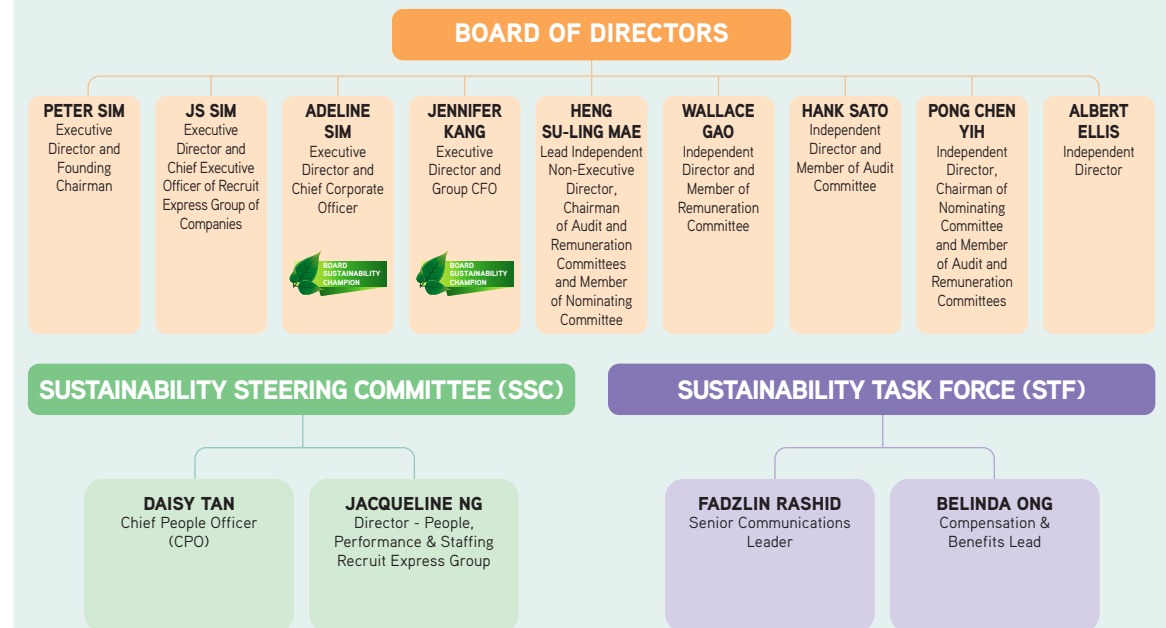
The Board oversees the development of HRnetGroup’s sustainability framework, strategies, policies, targets, as well as management of ESG risks amongst other sustainability-related issues.

Our Sustainability Steering Committee (SSC) comprises two members of our senior management team. It is committed to keeping in view the Group’s overall long-term plans and vision, setting relevant ESG targets and metrics, as well as monitoring overall sustainability performance. The SSC reports to the Board annually and as needed.

The Board is responsible for assessing, overseeing due diligence of, reviewing on a regular basis and approving our sustainability material topics and issues, which considers how our business activities impact the economy, environment and people.

Our Sustainability Task Force (STF), comprised of our senior leaders, supports and reports to SSC regularly and as needed to implement and execute measurable sustainability plans and initiatives across our business operations.

Two directors with closer oversight of day-to-day management have been appointed sustainability champions - Executive Directors Adeline Sim (Chief Corporate Officer) and Jennifer Kang (Group CFO).



GRI 2-17 The Board will continue to enhance HRnetGroup’s sustainability agenda by attending relevant training to develop our collective knowledge on sustainability.

GRI 2-18 The Board Committee performance evaluation form contains the question: “To what extent does the Board review with Management the material environmental, social and governance (ESG) factors that could have a significant impact on the Company or its business, and the policies and practices to manage and monitor the material ESG factors.”.

This is part of the annual Board evaluation, and the results are submitted to the Board’s Nominating Committee.

Compensation

GRI 2-19, GRI 2-20 The remuneration policies for the Board and key executives are described in Principle 6 of the Corporate Governance Report.

The approach considers multiple factors such as financial performance, industry benchmarks, the individual contributions of directors, as well as ESG considerations.



**SGX (G),
GRI 2-9,
GRI 405-1a**

SGX Common Core Governance Metrics

The relevant SGX Common Core Governance Metrics are as follows:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Certifications	List of relevant certifications	N/A	Grade A Accreditation by the Taipei City Government	Grade A Accreditation by the Taipei City Government	RecruitExpress - Grade A Accreditation by the Taipei City Government RecruitFirst - Grade B Accreditation by the Taipei City Government <i>HRnetOne and PeopleSearch were exempted due to the Grade A certification attained in 2023.</i>
Framework Alignment	Alignment with frameworks and disclosure practices	GRI and SGX requirements	GRI TCFD UN SDGs UN GC	GRI TCFD UN SDGs	GRI TCFD UN SDGs
Assurance	Assurance of sustainability report	N/A	Internal, by Ernst and Young	Internal, by Ernst and Young	Internal, by Ernst and Young
Board Composition	Board independence	50%	62.5%	55.6%	55.6%
	Women on the Board	25%	25.0%	33.3%	33.3%
	Additional metric Directors below 50 years-old	No target	37.5%	33.3%	33.3%

Sustainable Development Strategy, Policies and Practices

GRI 2-16

Mitigating Negative Impacts

The Board oversees matters of critical concern via three channels: the Company's risk management framework, grievance mechanism, and its whistle-blowing policy. There were 0 critical concerns raised via the risk management framework and whistle-blowing channels in 2024.

Details of the risk management framework are overseen by the Board's Audit Committee, as disclosed in Provision 9 of the Corporate Governance Report.

**GRI 2-25,
GRI 2-26**

HRnetGroup has put in place grievance and whistleblowing channels for employees and external parties to voice their concerns regarding incidents of non-compliance and misconduct.

**TCFD
2,6,9,11**

We make sure our grievance mechanism has proper safeguards against any adverse actions on employees who raise their concerns. Our grievance channel is available to all employees.

The Company's grievance and whistle-blowing policies are overseen by the Board's Audit Committee, as disclosed in Provision 10 of the Corporate Governance Report.

GRI 2-28

Membership Associations

The Company does not hold governance positions in any membership association.

Stakeholder Engagement

GRI 2-29

Approach to Stakeholder Engagement

We maintain regular dialogue and engagement with the investment community to provide relevant information on the Group's corporate strategy, operational performance, and business. Our twice-yearly results announcements are attended by shareholders and analysts.

Our Investor Relations Policy guides HRnetGroup's engagement with the investment community, including our shareholders, potential investors, and equity analysts. These policies are available at our corporate website at <https://hrnetgroup.listedcompany.com/>.



Material Topics

GRI 3-1	Management of Material Topics	
	<p>HRnetGroup undertook a materiality refresh in 2022 in line with GRI 2021 guidance and reprioritised our list of material issues based on a consideration of the impacts of our business activities, relationships, and value chain. This materiality assessment exercise helped us identify our actual or potential, positive or negative impacts on people (including human rights), environment, and the economy based on a review of our current business activities and the material issues relevant to the human resource industry and our peers.</p>	<p>This year, in preparation for our future transition to IFRS reporting, we prioritised our material topics with guidance from SASB's Materiality Finder. We will carry out a review of material topics as part of the transition.</p> <p>Stakeholder consultations on material topics are part of our stakeholder engagement channels described in GRI 2-29 above.</p>
GRI 3-2	<p>The resulting list of material topics has been presented according to our sustainability framework in the table below. Our material topics remain consistent with the previous reporting year, with four topics highlighted by SASB marked in bold in the diagram below.</p>	<p>Our focus on these material topics allows us to contribute to the United Nations Sustainable Development Goals 4, 5, 8, 10, 13 and 16.</p>

IMPACT ASSESSMENT OF MATERIAL TOPICS

 <p>Empowering our people</p> <ul style="list-style-type: none"> Retaining, developing, and engaging our talent Embracing diversity and equal opportunity 	 <p>Strengthening business governance</p> <ul style="list-style-type: none"> Upholding business integrity Ensuring regulatory compliance Ensuring cybersecurity and data protection 	 <p>Making business impact</p> <ul style="list-style-type: none"> Growing our business Building capacity in local communities 	 <p>Doing our part for the environment</p> <ul style="list-style-type: none"> Lowering energy consumption Lowering water usage Lowering waste
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Legend: + Positive impact - Potentially negative impact if not done
Impact: ● People (Internal) ● People (External) ● Economy ● Environment

For each material topic, we have progressively developed metrics for measuring our sustainability efforts. The main guidelines we have used are the metrics required for our Sustainability Report to be in accordance with the GRI standards, the relevance of the metric to our industry based on sector benchmarks, as well as aligning with SGX requirements and recommended roll-out timelines.

We issued our first sustainability report in 2018 (reporting on financial year 2017), and have increasingly added new qualitative and quantitative targets each year. We continue to keep our short and long-term targets the same. Our definition of short and long-term timeframes are as per the section on “Doing Our Part for the Environment” under “Strategy”.

Empowering Our People

SDG 8, 10	  <p>Retaining, Developing, and Engaging Our Talent</p>	
GRI 3-3	<p>IMPACT AND OUR COMMITMENT</p> <p>As a professional recruitment firm, we are in the business of people. Human capital is the most essential asset and core competency to our business. We not only share our deep expertise with our clients but also strive towards a higher level of human resource management to better engage, develop and promote the well-being of our employees. Our strong performance in this material topic has a positive impact on our people.</p> <p>OUR ACTIONS – TALENT RETENTION</p> <p>We view our people as an important resource, therefore, cultivating long-term meaningful relationships with our employees is deeply important to us. We strive to create a conducive environment for our employees’ personal and professional goals.</p> <p>We start the employees’ journey through an on-boarding program when they first join. This is followed up with check-in sessions conducted by our business leaders a month after joining, to better integrate our new hires into our business operations. This also aids us in improving our orientation process and managing our new hires with the feedback obtained from every check-in session.</p> <p>We also strive to ensure our employees feel valued through our regular engagements with them through various channels. We do this to help our employees feel connected with the larger organisation and keep them up to date. Two of the ways we engage our employees include:</p> <ul style="list-style-type: none"> Critical Success Activities (“CSA”): CSA events are our quarterly company-wide employee engagement events that deal with topical business trends, to support our employees in their efforts to provide clients with impactful and relevant services. 2 monthly calls that that brings together Business Leaders from our various business units across 17 cities. Conducted via Zoom, the 1-hour call for: <ul style="list-style-type: none"> Group Action Meet Energise (“GAME”) promotes transparency by reviewing financial performance metrics across the business units. We also sharpen our leaders’ minds with sharing of market trends and insights, new initiatives and business developments. 	<ul style="list-style-type: none"> Monthly Sales Meeting (“MSM”) promotes accountability of sales performance and sharing of operational and business highlights. <p>HRnetGroup also believes in protecting the physical and mental well-being of our employees, which are important not only for our employees’ career fulfilment, but also to improve the quality of services we are able to provide to our clients. Three ways we take care of our employees are:</p> <ul style="list-style-type: none"> Physical safety: We are proactive in our safety management and aim to create a safe working environment by maintaining our vigilance with Closed Circuit Television (CCTV) to monitor security. We also set a zero-incident target for occupational health and safety. Physical wellbeing: We are transforming our workspace into multi-brand co-working hubs. With newly renovated and vibrant spaces, we’re fostering closer collaboration and synergy among our consultants while saving costs by housing multiple brands under one roof. Our vision for this space goes beyond just a place to work – it’s a versatile, multi-use environment that adapts to our needs, from meetings and events to games and parties! Medical benefits: All full-time employees are provided with insurance coverage on life, hospitalisation and surgical, disability and invalidity, as well as medical and dental reimbursements.



OUR ACTIONS – TALENT DEVELOPMENT

At HRnetGroup, we are committed to providing our employees with continuous learning opportunities that enhance their competencies and align them with our corporate culture. Our talent development approach integrates on-the-job learning, targeted training sessions, and regular thematic workshops designed to equip our employees with the skills needed to excel in their roles.

In 2024, we initiated workshops to strengthen our employees' capabilities and prepare them for the evolving demands of the HR industry. Highlights of our 2024 training year were:

Generative AI for Talent Acquisition

As artificial intelligence continues to reshape the recruitment landscape, we introduced a practical workshop on Generative AI for Talent Acquisition. This session provided employees with hands-on experience in using AI-powered tools to optimise the recruitment process, improve candidate engagement, and streamline operations. Employees gained valuable insights into future HR roles, best practices for AI adoption that could be immediately applied to their daily workflows, such as using industry-specific prompts for generative AI tools.

UEP (Unique Extraordinary Practices)

Leadership Workshop

Our UEP Leadership Workshop was a four-day intensive programme that brought together leaders from across the region to our headquarters in Singapore for advanced leadership training. The workshop focused on critical aspects of business growth, including:

- Mastering Terms of Service (TOS), where employees were trained to interpret TOS agreements, negotiate favourable terms with clients, and understand how different contractual agreements impact us and our clients
- Strengthening sales strategies through team collaborations across different business units and locations, ensuring employees could engage more effectively with clients across multiple touchpoints
- Cultivating radical candour in communication, fostering transparency and candid relationships with clients and candidates
- Refining internal recruitment strategies through shared experiences. Leaders provided insights into their past approaches to hiring internally, exchanging best practices and discussing the key messages they use to attract top talent to HRnetGroup
- Developing a strong executive presence and presentation skills to enhance client and candidate interactions

These initiatives keep our employees abreast on the latest industry-relevant knowledge and equip them with practical skills, reinforcing HRnetGroup's commitment to developing talent and driving professional excellence across all levels of the organisation.

We strongly believe in ensuring that all our employees are aware of their career progression map. This helps our employees have a clear understanding of their career path and growth. It entails in-depth explanation on the criteria of each role, timeline for promotion, and our twice-yearly performance management reviews ("PMR").

All permanent employees have received regular performance and career development reviews. On a semi-annual basis, the senior management team would review our Talent Bank which tracks employees with the potential for further cultivation by way of lateral transfers and promotions to different roles across brands, geographies and functional areas.

As part of our retention program, we recognise the contributions of those who have dedicated 1, 3, 5, 7, 10, 15, 20, 25 and 30 years of service with our Long Service Awards. For business leaders, our Co-Ownership scheme enables high-performing leaders who share our values and are committed to business growth to invest in the subsidiaries they operate and lead. This program aligns employee and shareholder interests while fostering long-term value creation, along with a strong sense of pride and ownership.



SGX (S)
GRI 404-1
GRI 404-3

TRACKING OUR PROGRESS

The relevant SGX Common Core Governance Metrics are as follows:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Employment	Total # of permanent employees	N/A	863	804	793
Occupational Safety & Health	Fatalities	0	0	0	0
	High-consequence injuries	0	0	0	0
	Recordable injuries	0	0	0	0
	Recordable work-related ill health cases	0	0	0	0
Development & Training	Average training hours per employee	70	73	46	43
	Average training hours per employee by gender	70*	M: 73 F: 73	M: 46 F: 46	M: 43 F: 43
	Additional Metric				
	Percentage of employees who received a regular performance review	100%	100%	100%	100%

As part of our strategic efforts to enhance learning efficiency and align with evolving market practices we have redesigned our training courses to be more focused, delivering key content and takeaways in a shorter timeframe.

Additionally, we have transitioned many of our in-house training sessions to online platforms, allowing employees greater flexibility while reducing the overall time commitment without compromising learning quality. This shift reflects industry best practices and supports a more agile and accessible learning environment.

*Moving forward, we intend to recalibrate our training target to 20 training hours per employee per year in 2025 to maintain a balanced and effective approach to workforce development.

5

GENDER EQUALITY

SDG 5

Embracing Diversity and Equal Opportunity

GRI 3-3

IMPACT AND OUR COMMITMENT

We believe promoting diversity and fairness creates a more constructive and equitable workplace and a more dynamic and functional workforce. This in turn has a positive impact on our people, and indirectly the economy.

Diversity extends far beyond nationality, race, gender and age groups, to background, experience, skills and knowledge. A diverse workplace engenders awareness and understanding, employee morale, creativity, and broadens our talent pool.

By being inclusive, HRnetGroup is able to build capacity for better and deeper connections with candidates and clients.

OUR ACTIONS

HRnetGroup seeks the right competency and attitude while hiring, as enshrined in our Equal Opportunities Policies.

We encourage our clients to do the same. In any case of discrimination or non-compliance of our Equal Opportunities Policies, our employees may voice their concerns through our whistleblowing channels anonymously.

The traits we look to identify in potential employees is best encapsulated by the acronym PHD: Passion, Hunger, Self-Discipline.

Moreover, we level our playing field across backgrounds and past experiences by offering equal opportunities to all employees, including interns and contract employees. Our approach to promotions and incentives also reflects their performance and merit. We ensure the right people are recognised for their work by having no limit to the number of promotions in each business unit.

Beyond the standards we have developed internally, we are also committed to the application of Tripartite Alliance for Fair and Progressive Employment Practices in Singapore and relevant guidelines internationally.



SGX (S)

GRI 2-7a

GRI 401-1

GRI 405-1b

GRI 405-2

GRI 406-1

TRACKING OUR PROGRESS

The relevant SGX Common Core Governance Metrics are as follows:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Gender diversity	Employees by gender	N/A	M: 208 F: 655	M: 192 F: 612	M: 214 F: 579
	New hires by gender	N/A	Not tracked	M: 85 F: 201	M: 115 F: 223
	Turnover by gender	N/A	Not tracked	M: 37.6% F: 32.5%	M: 49.1% F: 42.7%
Age-based diversity	Employees by age • >50 years old • 30-50 years old • <30 years old	N/A	22 410 431	26 409 369	30 418 345
	New hires by age • >50 years old • 30-50 years old • <30 years old	N/A	Not tracked	1 73 212	0 101 237
	Turnover by age • >50 years old • 30-50 years old • <30 years old	N/A	Not tracked	11.1% 22.9% 48.5%	12.5% 33.1% 62.3%
Diversity by Region	Employees by region • Singapore • Rest of Asia	N/A	Not tracked	259 545	256 537
	Turnover by region • Singapore • Rest of Asia	N/A	Not tracked	23.8% 38.6%	24.2% 53.8%
Diversity	Ratio of basic salary of women to men • Associate level • Middle level • Senior level	N/A	Not tracked	1:1 1:1 1:1	1:1 1:1 1:1
	# of incidences of discrimination	0	0	0	0

The increase in turnover numbers is largely driven by high attrition in challenging markets, particularly in Mainland China. At the same time, we have adopted a more strategic and selective hiring approach, prioritising experienced recruiters who can deliver greater value to the organisation. Given the specialised skill sets and expertise required, these hires typically undergo a longer recruitment cycle, which has contributed to a slower replenishment of talent numbers.



SDG 16



Upholding Business Integrity

GRI 3-3

IMPACT AND OUR COMMITMENT

As a leading player in the heavily regulated recruitment industry, HRnetGroup places trust and reputation at the center of how we do our business. Any loss of trust would have a direct negative impact on our business and on our people.

OUR ACTIONS

We work actively to prevent violations of business integrity and have developed anti-corruption practices designed in consultation with external stakeholders such as regulators. We hold all our employees and our stakeholders to the highest of professional standards.

Our Employee **Code of Conduct** (“CoC”) detailed in our Employee Handbook that we distribute to all staff clearly lays out the expectations that we as a company have for our people. This encompasses important topics such as:

- Fraud
- Bribery (including gifts policy)
- Segregation of duties
- Business ethics (including behaviour on public platforms such as social media)
- Dealings with candidates and clients

Our new employees are required to undertake **training**, pass online assessments, and make declarations on various critical topics such as insider trading, anti-corruption and anti-bribery, anti-money laundering, cyber security, protection of personal data and whistle blowing during their onboarding process. We further emphasise the importance of these principles throughout our employees’ journey through annual mandatory training refresh, online assessments and declarations on independence and conflict of interest.

Our earlier-mentioned **whistleblowing** policy helps with deterrence and provides an immediate channel for incidents to be surfaced.

GRI 205-1

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

We assessed corruption risk in the markets we operate in using Transparency International’s Corruption Perception Index (2022) by territory.

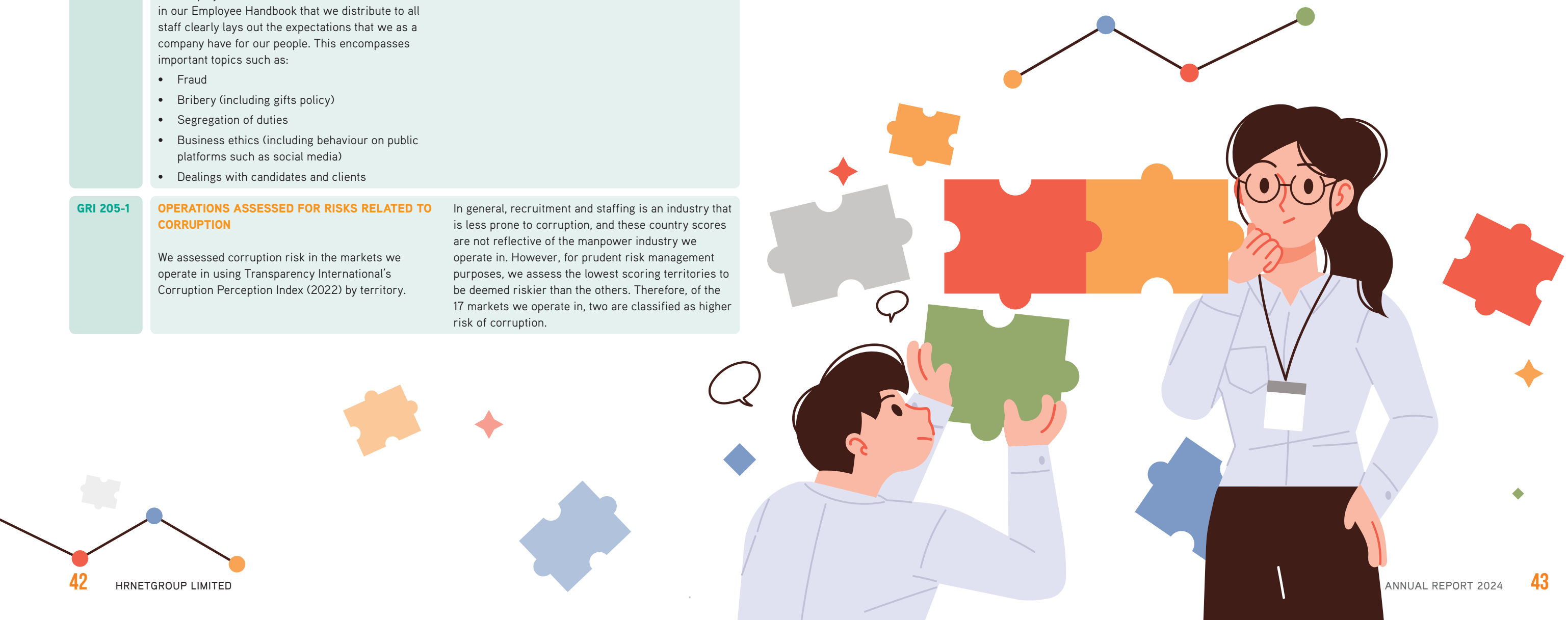
In general, recruitment and staffing is an industry that is less prone to corruption, and these country scores are not reflective of the manpower industry we operate in. However, for prudent risk management purposes, we assess the lowest scoring territories to be deemed riskier than the others. Therefore, of the 17 markets we operate in, two are classified as higher risk of corruption.

SGX (S)
GRI 205-2

TRACKING OUR PROGRESS

The relevant **SGX Common Core Governance Metrics** and other metrics are as follows:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Ethical behaviour	# of GRI anti-corruption disclosures reported	3 of 3	2 of 3	3 of 3	3 of 3
	Additional Metrics (GRI)				
	# and % of operations assessed for risk of corruption	N/A	Not assessed	2, 11.8%	2, 11.8%
	# and % anti-corruption policy communicated to: <ul style="list-style-type: none">• board members• employees• business partners	100% 100% Planned	8, 100% 863, 100%	9, 100% 804, 100%	4, 44.4% 793, 100%
	# and % of total received anti-corruption training: <ul style="list-style-type: none">• board members• employees	100% 100%	8, 100% 863, 100%	9, 100% 804, 100%	4, 44.4% 793, 100%
	# of confirmed incidence of corruption	0	0	0	0





Ensuring Regulatory Compliance

IMPACT AND OUR COMMITMENT

Given the diverse set of regulatory contexts HRnetGroup operations are subjected to, across 17 cities, it is imperative for HRnetGroup to keep updated on each location's statutory and regulatory requirements. We recognise that non-compliance has a heavy negative potential impact on the trust that our stakeholders place in us.

As a Company, we are committed to regulatory compliance, and our Company policy is also to ensure that each employee is kept up to date on regulations and is encouraged to work together to comply with updated rules. Our approach is to prevent any potential occurrence as best as possible.

Our current policies and processes for regulatory compliance were developed in consultation with stakeholders over time, especially government regulators, clients, professional advisors, employees, management and board.

OUR ACTIONS

As a policy, we have integrated three pillars into our business operations across all our offices. We continue to uphold our in-house regulatory compliance management framework consisting of three key pillars:

1. Regular review of new or revised regulatory compliance requirements: Upon the announcement of a new or change in regulations, our HR and Legal departments are responsible for assessing the implementation to our businesses and processes. Once revisions are deemed necessary, our key contacts in each city will then check into the respective compliance system and update the local regulatory requirements. Management will revise the relevant business and risk management systems as needed (e.g., update contract clauses, compliance checklist, policies, etc.).

2. Dissemination of regulatory updates to employees: We utilise a variety of engagement methods to ensure our people are fully up to date on new regulatory frameworks and announcements, including Critical Success Activities ("CSA"), Group Action Meet Energise ("GAME"), and trainings on critical issues both internally and externally facilitated, where necessary.

3. Automated platform to archive and track required compliance records: Since 2021, we have rolled out our e-compliance system that automates our compliance records, replacing paper documentation. This automated process better manages our storage and status tracking by giving timely alerts to our employees. Compliance checklists on the compliance platform are regularly updated based on advice from our HR and Legal departments. The status of the compliance submissions will be reviewed by a senior manager of our Finance team, who will check for quarterly signoff on compliance submissions.

TRACKING OUR PROGRESS

We are proud to report another consecutive year of zero incidences of significant non-compliance with laws and regulations in the social and economic area:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Compliance	Incidents of non-compliance	0	0	0	0

Ensuring Cybersecurity and Data Protection

IMPACT AND OUR COMMITMENT

With the increased digitalisation of our recruitment process, people management and outsourcing work, we take responsibility to prevent potential risks from scams, malware attacks, data and cybersecurity breaches. To protect our stakeholders' interests and maintain their trust, it is crucial for HRnetGroup to safekeep the personal and sensitive data of our clients, candidates, temporary/contract employees, and our own employees responsibly. We recognise that any breach has a negative potential impact on our people, both employees and customers. Our approach therefore is active prevention.

OUR ACTIONS

We take proper safeguards complying with all applicable laws in all our areas of operations, such as the Cybersecurity Act and the Personal Data Protection Act ("PDPA").

In the effort to prevent cybersecurity incidents and protecting our clients' personal information, we employ two main strategies as follows:

1. Defending Our Assets and Systems: Our focus is the protection of our assets and systems – including our computers, laptops, tablets, phones, and offices where personal and sensitive information are kept. We have our in-house dedicated information and technology (Tech) team responsible for fortifying our business operations' cybersecurity defenses. Our Tech team has gone the extra mile to maintain our security measures, with progressive replacement of outdated IT equipment and implementing measures to further safeguard against data leaks and thefts. In addition, as a preventive measure to strengthen its cyber security, we engaged a third-party cyber security specialist firm to perform penetration tests on the Group's internal network and web applications.

2. Keeping up our cybersecurity and data protection awareness: As a people business, HRnetGroup views personal data protection and cybersecurity awareness as an essential skill for its employees. All new hires must undergo training on cybersecurity and protection of personal data. All our employees are required to attend yearly trainings to ensure they are kept up to date with the recent cybersecurity and malware attacks news.

Our cybersecurity and data protection strategies are supported by our data protection policies, which set out clear guidance on data management and employee training requirements.

TRACKING OUR PROGRESS

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Cybersecurity and data protection	Number of substantiated complaints concerning breaches of customer privacy	0	0	0	0
	Number of identified leaks, thefts, or losses of customer data	0	0	0	0



SDG 8, 10

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

Growing Our Business

GRI 3-3

IMPACT AND OUR COMMITMENT

Executing the recruitment and staffing business well has a positive impact on our clients and our candidates, which in turn has a positive impact on the local economy that we operate in. We pride ourselves in the quality of the services we deliver to our clients and candidates – as we believe both these relationships are the keys to building a resilient and sustainable business.

OUR ACTIONS

Serving our corporate clients well

We understand the needs of our clients, as well as our shared commitment to doing business in a responsible and sustainable manner. We continue to value our relationships with our long-term clients. At the same time, we seek new client relationships as we expand our regional network and deepen penetration in our existing markets. We have established a customised in-house approach for advancing and setting up new businesses by roping in existing employees with proven high performance and who are willing to invest in the start-up. This approach has served us well as we seek to expand our regional network and deepen penetration in the markets that we have operations in.

We are also committed to helping companies find suitable talents and providing our HR consultancy service to help companies efficiently manage, engage and retain the recruited talents. Our provided services effectively screen through potential candidates that meet the job requirements, budget and the company culture.

Raising our candidate experience

With our job placement services, HRnetGroup strives to provide better job opportunities for candidates and outsourced contractors.

To improve employee-employer talent matching, our consultants begin with a Position Profile Report and have close follow-ups with the client to define their selected search parameters. We conduct a thorough screening and analysis based on factual interviews and suitability assessment to ensure that the potential candidate can be the right fit for the client’s criteria and corporate culture. We also match the candidates to jobs based on their interests, skillsets, pay grade and personal needs (e.g. ability to travel, need for hybrid work arrangements, etc.).

Based on our assessment of each candidate, we then create Candidate Profile Reports for submission and presentation to our clients to provide relevant information and advice. To extend our insights and market updates, we conduct alignment calls or email correspondence to review the selected candidates and assess the match. In addition to that, we also provide market overview and statistics to aid our clients in gaining a better understanding of what is happening in the market in relation to the role that they need to fill.

With the increased demand for flexible staffing, we take considerable steps to ensure our outsourced contractors are readily equipped to serve when the need arises. Our consultants take on the crucial role of ensuring consistent standard and quality in our pool of talents and delivering additional services such as contracting, payroll processing, training and deployment.

GRI 3-3

Investing in capacity building

We recognise the need to set our staff up for success. In addition to our talent development program mentioned earlier, we also use systems to increase the efficiency of our work activities and our customer service offerings.

To support our client relationships, we use HeaRtbeats, an in-house digital platform we introduced since 2020, to conduct Customer Satisfaction Surveys (“CSS”) for both corporate clients and candidates. The platform collects feedback to help us continually identify the specific strengths and weaknesses of our processes. Our HeaRtbeats platform utilises the Net Promoter Score (“NPS”), an internationally recognised performance metric to measure our customer loyalty and satisfaction.

Topic	Additional Metric	Target	2022 performance	2023 performance	2024 performance
Client and candidate engagement	Client and candidate engagement Net Promoter Score (NPS)	70	87	86	94

With the launch of each new initiative to enhance our workflows, our Tech and Communications teams work together to roll out training and gather feedback from end-users to facilitate smooth and successful implementation.

TRACKING OUR PROGRESS

Our top 5 clients have been with us for an average of 19 years.

Selected metrics such as number of candidates and outsourced contractor placements are used to track our business volume. We used an estimate of gross profit per placement and gross profit per monthly contractor placed to reflect our pricing and the level of talents placed. In addition, sales are also tracked daily at business unit levels, with weekly sales reports and quarterly business reviews at a wider company level.

In 2024, we found jobs for 40,302 contractors (FS) and 4,558 candidates (PR).

GRI 201

The **Economic Value Generated (EVG)** was S\$582.4m. The Economic Value Distributed was S\$580.5m, of which 87% of EVG was to our employees and outsourced contractors. The Economic Value Retained (EVR) was S\$1.9m. The change in EVR compared to last year was due to fluctuation in the Company’s revenues.

Climate change risks are disclosed in the section on environmental impact. HRnetGroup follows the national pension plans in all its markets.

Government subsidies is reported in the Financial Highlights.

Additional metrics

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
Client and candidate engagement	Total job seekers engaged	100k	111,921	100,178	82,966
Business growth	10-year revenue CAGR	9%*	9%	8%	6%

*The target for 2025 will be the weighted average of GDP growth of top 3 key markets based on revenue contribution.



4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

SDG 4, 8, 10

Building Capacity in the Local Communities

GRI 3-3

IMPACT AND OUR COMMITMENT

We believe in creating positive social impact by giving back to the local community. We are committed to giving back to society through community engagements via our HRnetLoves initiative.

OUR ACTIONS

In 2024, we expanded our commitment to giving back to the community by conducting 27 CSR activities across 8 regions. Our initiatives focused on environmental sustainability, social welfare, workplace wellness, and community engagement.

Employees took part in donation drives, food distribution, tree planting, animal welfare efforts, and community clean-ups. We also supported orphanages and underprivileged communities through skills-based volunteering. Additionally, we introduced health and wellness programs to promote employee well-being and collaborated with local organisations to support animal adoption initiatives.

These activities reflect our ongoing commitment to foster a culture of volunteerism and social responsibility in our organisation, strengthening our impact on the communities we serve. The highlights by city are as follows:

- Singapore: Employees participated in blood and bone marrow donation drives, food preparation for the underprivileged, and the collection and packing of essential food supplies.

TRACKING OUR PROGRESS

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
CSR participation	% of employees participating in CSR activities*	50%	Not tracked	73%	86%

*in relevant cities

- Kuala Lumpur: Activities focused on environmental sustainability through tree planting and recycling efforts, along with volunteering at a pet shelter to support animal welfare.
- Jakarta: Supported orphanages and underprivileged communities through donations, and skills-based volunteering, including job search training and creative activities for children.
- Shanghai: Introduced a Traditional Chinese Medicine (TCM) wellness programme to enhance workplace well-being and collaborated on an animal adoption initiative to support stray cats in finding permanent homes.
- Hong Kong SAR: Employees participated in dog-walking activities to provide care and socialisation for rescued dogs in a shelter.
- Taipei: CSR initiatives included monetary, clothing, toy, and book donations, as well as volunteering at animal shelters and senior care centres. Employees also organised a community clean-up to promote environmental sustainability.
- Seoul: Employees volunteered at an animal shelter, providing care for stray animals and assisting with facility maintenance.
- Tokyo: The Dan Dan Walk was organised to raise awareness and funds for refugees, while the Bosai Community Network initiative helped elderly individuals develop essential digital skills for emergency preparedness.

Doing Our Part for the Environment

13

CLIMATE ACTION

SDG 13

Doing Our Part for the Environment

GRI 3-3

IMPACT AND OUR COMMITMENT

HRnetGroup is aware of the existential threats posed by climate change, and the consequences of natural resource depletion to our operations and surrounding communities. These threats have a potential negative impact on the environment.

HRnetGroup embarked on our Task Force on Climate-Related Financial Disclosures (TCFD) reporting journey in 2022. The assessment of climate-related risks and opportunities under the TCFD framework helps us to better anticipate and prepare for future climate events. The disclosures provide stakeholders with forward-looking, useful information

regarding our approach to managing climate risks. We understand the need to play our part, and to address the heightened expectation for transparency from shareholders, clients and regulators regarding the carbon footprints of our value chain and actions to mitigate this.

We have aligned this section of our reporting to the current TCFD recommendations, in line with SGX guidelines on sustainability reporting.

Based on our initial high-level assessment, our direct impact on the environment is limited, due to the nature of our business. The overview of our impact is as follows:

Potential material topic	GRI Standard	HRnetGroup impact assessment
Materials	301	Not applicable. As a service company, we do not manufacture or package any products.
Energy	302	Limited impact. Our offices are rented. Our impact on energy is based on electricity usage in our rented offices. We monitor our usage through our energy bills, and keep an eye on the green certification of our landlords.
Water	303	Limited impact. Our offices are rented. Our impact on energy is based on water usage in our rented offices.
Biodiversity	304	Not applicable. As a service company, we do not have a direct impact on biodiversity.
Emissions (GHG)	305	Not applicable. As a service company, we do not have direct emissions.
Waste	306	Limited impact. We do not have any waste-producing processes. However, we continue to track paper usage as a company.
Supplier	308	Yet to be assessed.

TCFD IFRS S2

Governance

Climate-related risks and opportunities are managed as part of overall ESG risk management within our sustainability governance structure. The board's oversight of and management's role in climate-related risks and opportunities are disclosed in Section 2 of this report, under 'Governance'.



TCFD

Strategy

In 2022, a groupwide assessment was undertaken to identify and qualitatively assess the potential impacts of climate-related physical and transition risks and opportunities.

Our key climate risks are associated with potential compliance and reputation risks related to meeting enhanced climate-reporting requirements, as well as meeting our stakeholders' expectations. As we have multiple clients in various countries, we also face a potential risk of losing revenue from our flexible staffing business should our clients' business get adversely affected by more stringent sustainability requirements or extreme weather events.

Nonetheless, we have identified a significant opportunity in terms of access to new job markets given the increasing demand for ESG and carbon management professionals. In addition, through adoption of energy efficiency measures within green office buildings, we can also reduce our own Scope 2 emissions.

The identified transition and physical risks were assessed for the following time horizons and temperature scenarios:

- Timeframe:
 - Short to Medium-term: Now to 2030
 - Long-term: Within the next 20 to 30 years (by 2050)
- Global warming scenarios:
 - A lower temperature rise scenario at 1.5°C by 2050/2100
 - A higher temperature rise scenario at >4°C by 2050/2100

TCFD
GRI 201-2

Risk Management

The following table shows:

- the risks and opportunities over the short, medium, and long term;
- their impact on our business; and
- our expected resilience to climate-related scenarios (1.5°C and 4.0°C)

The following diagram details our phased climate risk management approach in accordance with the TCFD recommendations.

Key risks	Potential impact on HRnetGroup's business		Risk levels per scenario	
	Business impact	Financial impact	1.5°C	>4.0°C
Transition risk (Reputation) Increased stakeholder concern Short, medium, and long-term	As investors are placing greater significance on ESG issues, the ability of HRnetGroup to attract new funds and investors to expand the group may be reduced if HRnetGroup does not align with stakeholders' expectations. HRnetGroup faces the possibility of losing talent, especially young talent, upon not committing to an environmental cause and not being able to instill a sense of meaning amongst their workers. This will reduce HRnetGroup's competitiveness as a recruitment agency with a business focus on younger employee demographics.	Loss of reputation amongst stakeholders leads to reduced capital investment from investors/relevant stakeholders who view climate risk as a priority. The increasing energy costs will lead to higher operating costs. Inability to comply with laws and regulations including reporting requirements may lead to fines or penalties. Smaller talent pool for HRnetGroup may reduce business competitiveness leading to lower revenue.	High	High



TCFD GRI 201-2	Potential impact on HRnetGroup's business		Risk levels per scenario	
	Business impact		1.5°C	>4.0°C
	Key risks	Financial impact		
Transition risk (Policy/legal) (Reputation) Mandates on and regulation of existing products and services Enhanced emissions reporting obligations <i>Short, medium, and long-term</i>	Carbon tax directly affects higher emitters in Singapore. However, there will nevertheless be a downstream impact to everyone in the supply chain including HRnetGroup.	Increasing energy costs will lead to higher operating costs.	Medium	High
	Furthermore, there may potentially be an impact on the reputation of HRnetGroup if strict compliance is not followed regarding climate disclosures. This is mostly a near-term risk as enhanced reporting obligations are being developed and imposed. As time passes, the level of risk may be less significant as the reporting requirements become part of the usual company annual reporting.	Inability to comply with laws and regulations including reporting requirements may lead to fines or penalties.		

TCFD
GRI 201-2

Key risks	Potential impact on HRnetGroup's business		Risk levels per scenario	
	Business impact	Financial impact	1.5°C	>4.0°C
Physical risk (Acute) Increased frequency of extreme weather conditions such as cyclones, floods, and earthquakes <i>Medium and long-term</i>	Extreme weather events such as floods or cyclones may damage operation sites and therefore compromising flexible staffing business which is one of HRnetGroup's main business operations. Furthermore, the impact of increased frequency extreme weather is more apparent amongst Asian growth cities. Given HRnetGroup's high focus on Asian growth cities, the geographies subject to this physical risk are critical to HRnetGroup's business.	Reduced revenue due to external contractors temporarily or permanently losing jobs due to floods, cyclones, or other extreme weather events damaging factories and operation sites.	Medium to low	Medium
Physical risk (Chronic) Rising mean temperatures <i>Medium and long-term</i>	Increased general health problems caused by rising mean temperatures may cause higher levels of absenteeism and reduced operating efficiency of employees. This will negatively impact HRnetGroup talent pool's workforce capacity. Higher temperatures also lead to higher energy utilisation and costs required from HRnetGroup to provide suitable working environments for their employees (e.g. air conditioning).	Reduced revenue from the reduced working capacity of employees, both for HRnetGroup itself and within HRnetGroup's professional recruitment services. HRnetGroup will face higher operating costs due to higher energy utilisation, or energy efficiency improvement projects assuming landlords passed on the cost of investing in energy efficiency to HRnetGroup.	Medium	High



TCFD GRI 201-2	Key risks	Potential impact on HRnetGroup's business		Risk levels per scenario	
		Business impact	Financial impact	1.5°C	>4.0°C
	Transition risk (Market)				
	Uncertainty in market signals	As capital shifts away from carbon-intensive industries and into more environmentally friendly industry, there may be a market shift in talent demand for which HRnetGroup conducts recruitment services for.	HRnetGroup's market share may be reduced resulting in lower revenue if HRnetGroup does not identify the changing demand on a timely manner to tilt toward growing industries and adapt to changing labor market trends.	Medium	High
	Short, medium, and long-term				
	Products and services				
	Ability to diversify business activities	Increased regulatory pressure (e.g. carbon tax) to reduce emissions lead to increased business for sustainability-related employment. There is a growing market for staff to keep track of/ report/ reduce emission levels as companies face more pressure to reduce emissions.	Increased demand for a specific type of recruitment service resulting in increased revenue for HRnetGroup upon clients seeking for HRnetGroup's help to search for the specific talent pool.	Potential significant opportunity	Potential significant opportunity
	Short, medium, and long-term				
	Resilience				
	Adoption of energy-efficiency measures	HRnetGroup tracks how many of its offices are in green-certified buildings. HRnetGroup is also exploring how to ensure sustainable energy use. This will potentially help HRnetGroup to mitigate the rising costs of carbon prices hence reducing additional operating expenses.	Better management of energy use may result in potential savings through reduced operating costs.	Potential minor opportunity	Potential minor opportunity
	Short, medium, and long-term				



SGX (E)

METRICS AND TARGETS

The SGX Common Core Environmental Metrics are:

Topic	SGX Common Core Metric	Target	2022 performance	2023 performance	2024 performance
CSR participation	Absolute emissions <ul style="list-style-type: none">Scope 1Scope 2Scope 3	N/A N/A N/A	N/A No data N/A	N/A No data N/A	N/A No data N/A
	Emission intensity <ul style="list-style-type: none">Scope 1Scope 2Scope 3	N/A N/A N/A	N/A No data N/A	N/A No data N/A	N/A No data N/A
Energy consumption	Total consumption (SG)	<600 GJ	590 GJ	563 GJ	505 GJ
	Consumption intensity (per headcount)	Planned*	2.30 GJ/hc	2.30 GJ/hc	1.97 GJ/hc
	Total consumption (5 cities)	Planned*		1.03 TJ	1.40 TJ
	Consumption intensity (per headcount)	Planned*	Not tracked	2.24 GJ/hc	2.0 GJ/hc
Water consumption	Total consumption (SG)	0.01 ML	0.0125 ML	0.0193 ML	0.0206 ML
	Consumption intensity (per headcount)	Planned*	48 L/hc	79 L/hc	80 L/hc
Waste generation	Waste generated	N/A	N/A	N/A	N/A
	Additional Metric				
	Decrease in paper use year on year	5%	12%	14%	3%

*Planned for future reporting

Note: Electricity data for 2023 and 2024 include the cities in Greater China and Indonesia that were not included in 2022. Given that we began collecting energy and water consumption data in Singapore in 2022, we are still establishing a baseline for consumption intensity prior to setting a target.

The energy consumption in the five cities dropped due to continued efforts to instill sustainability awareness in our staff. We will continue to monitor the level of water consumption as we increase the number of work-from-office days per week.

The green certifications of our landlords are:

Type of certification	2022	2023	2024
Total number of office buildings	26	31	30
BCA Green Mark – Platinum	-	2	1
BCA Green Mark – GoldPlus	2	1	2
LEED Platinum	2	3	5
LEED Gold	5	6	4
Local or Other Green Certification	5	4	4
Total green-certified buildings	14	16	16

GRI CONTENT INDEX	
Statement of use	HRnetGroup Limited has reported in accordance with the GRI Standards for the period 1 January to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NO.)	OMISSION		
			REQ'MT(S) OMITTED	REASON	EXPLANATION

GRI STANDARD/OTHER SOURCE

GRI 2: General Disclosures 2021	2-1 Organisational details	30	Omissions are not permitted for the disclosure		
	2-2 Entities included in the organisation’s sustainability reporting				
	2-3 Reporting period, frequency and contact point				
	2-4 Restatements of information				
	2-5 External assurance	31			
	2-6 Activities, value chain and other business relationships				
	2-7 Employees				
	2-8 Workers who are not employees	32			
	2-9 Governance structure and composition				
	2-10 Nomination and selection of the highest governance body				
	2-11 Chair of the highest governance body	33			
	2-12 Role of the highest governance body in overseeing the management of impacts				
	2-13 Delegation of responsibility for managing impacts				
	2-14 Role of the highest governance body in sustainability reporting	32			
	2-15 Conflicts of interest				
	2-16 Communication of critical concerns				
	2-17 Collective knowledge of the highest governance body	33			
	2-18 Evaluation of the performance of the highest governance body				
	2-19 Remuneration policies				
	2-20 Process to determine remuneration	-	2-21 a,b,c	Confidentiality constraints	Information is not disclosed as it includes sensitive and confidential data.
	2-21 Annual total compensation ratio				
	2-22 Statement on sustainable development strategy				
	2-23 Policy commitments	28			
	2-24 Embedding policy commitments	44			
	2-25 Processes to remediate negative impacts	35			
	2-26 Mechanisms for seeking advice and raising concerns	44			
	2-27 Compliance with laws and regulations				
	2-28 Membership associations				
	2-29 Approach to stakeholder engagement	35			
	2-30 Collective bargaining agreements	32			

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NO.)	OMISSION		
			REQ'MT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	36	Omissions are not permitted for the disclosure		
	3-2 List of material topics				
ECONOMIC PERFORMANCE					
GRI 3: Material	3-3 Management of material topics	46			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	47			
	201-2 Financial implications and other risks and opportunities due to climate change	51			
	201-3 Defined benefit plan obligations and other retirement plans	47			
	201-4 Financial assistance received from government				
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	42			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption				
	205-2 Communication and training about anti-corruption policies and procedures	43			
	205-3 Confirmed incidents of corruption and actions taken				
ENERGY AND WATER					
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	55			
	302-2 Energy consumption outside of the organisation	-	All	Not applicable	Nature of business
	302-3 Energy intensity				
	302-4 Reduction of energy consumption				
	302-5 Reductions in energy requirements of products and services				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55			
	303-2 Management of water discharge-related impacts				
	303-3 Water withdrawal				
	303-4 Water discharge				
		303-5 Water consumption			

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NO.)	OMISSION		
			REQ'MT(S) OMITTED	REASON	EXPLANATION

EMPLOYMENT, TRAINING AND EDUCATION

GRI 3: Material Topics 2021	3-3 Management of material topics	37			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	41			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39			
	404-2 Programs for upgrading employee skills and transition assistance programs	38			
	404-3 Percentage of employees receiving regular performance and career development reviews	39			

DIVERSITY AND EQUAL OPPORTUNITY

GRI 3: Material Topics 2021	3-3 Management of material topics	40			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41			
	405-2 Ratio of basic salary and remuneration of women to men				

NON-DISCRIMINATION

GRI 3: Material Topics 2021	3-3 Management of material topics	40			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41			

CUSTOMER PRIVACY

GRI 3: Material Topics 2021	3-3 Management of material topics	45			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				

Corporate Information

BOARD OF DIRECTORS

Mr Peter Sim

Executive Director and Founding Chairman

Mr JS Sim

Executive Director and Chief Executive Officer of Recruit Express Group of Companies

Ms Adeline Sim

Executive Director and Chief Corporate Officer

Ms Jennifer Kang

Executive Director and Group CFO

Ms Mae Heng

Lead Independent Non-Executive Director, Chairman of Audit and Remuneration Committees and Member of Nominating Committee

Mr Wallace Gao

Independent Director and Member of Remuneration Committee

Mr Hank Sato

Independent Director and Member of Audit Committee

Mr Pong Chen Yih

Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committees

Mr Albert Ellis

Independent Director

AUDIT COMMITTEE

Ms Mae Heng (Chairman)

Mr Pong Chen Yih

Mr Hank Sato

NOMINATING COMMITTEE

Mr Pong Chen Yih (Chairman)

Ms Mae Heng

Mr Peter Sim

REMUNERATION COMMITTEE

Ms Mae Heng (Chairman)

Mr Wallace Gao

Mr Pong Chen Yih

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Ms Shirley Lim Guat Hua

SHARE REGISTRAR

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Deloitte and Touche LLP

6 Shenton Way OUE Downtown 2 #33-00

Singapore 068809

Partner-in-charge: Ms Seah Gek Choo

(Appointed on 1 August 2023)

HRnetGroup Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to adopt and comply with Rule 710 of the listing manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”) to describe its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). The practices of the Board and management of the Group adhere closely to the provisions under the Code. To the extent that the Company’s practices may vary from any provision, Company will explain the reason for the variation and how its practices nevertheless are consistent with the intent of the relevant principle of the Code.

This statement outlines the main corporate governance policies and practices during the financial year with specific reference to the Code.

BOARD MATTERS

1. THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

Board’s Role

The principal functions of the Board include, inter alia, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and desired organisational culture monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Group’s assets as well as setting values and standards (including ethical standards) for the Group.

The Board’s Conduct of Affairs

During FY2024, as was in the past years, in addition to carrying out its statutory responsibilities, the Board performed the following roles:

- (a) overseeing and approving the formulation of the Group’s overall long-term strategic objectives and directions, as well as focus on value creation, innovation and sustainability;
- (b) establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group’s performance;
- (c) overseeing and reviewing the management of the Group’s business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its strategic objectives;
- (d) instilling an ethical corporate culture and ensure that the Group’s values, standards, policies and practices are consistent with the culture;
- (e) ensuring transparency and accountability to key stakeholder groups;
- (f) ensuring compliance with the Code, the Companies Act 1967 of Singapore, the Company’s Constitution, the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), accounting standards and other relevant statutes and regulations; and
- (g) assuming the responsibilities for corporate governance.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group. Any director who has conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board, is required to immediately declare his or her interest to the Board, and recuse himself or herself from participating in any further discussions or voting on the subject matter, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion.

Provision 1.2

Continuous Training and Development of the Directors

A formal letter is sent to newly-appointed directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director.

A new director who has no prior experience of an issuer listed on the SGX-ST must also undergo mandatory training on his roles and responsibilities as prescribed by SGX-ST, unless the Nominating Committee (the “**NC**”) is of the view that training is not required because he has other relevant experience, in which case the basis of its assessment will be disclosed. Pursuant to Rule 720(6) of the Listing Manual, all directors have undergone the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2023 and FY2024.

To ensure that the Directors keep pace with the regulatory changes that will have an important bearing on the obligations of Company or Directors, the Directors are updated on such changes in between or during Board meetings. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. In FY2024, the external auditors updated the Directors on the new or revised financial reporting standards on an annual basis. Regulatory releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board on a timely basis. They also received on a regular basis reading materials on topical matters or subjects and regulatory updates and their implications.

Provision 1.3

Matters Requiring Board Approval

Other matters specifically reserved for the Board’s approval are those involving material acquisitions and disposal of assets, corporate or financial restructuring, major investments and expenditure, share issuances, dividends to shareholders, interested person transactions and any decision likely to have a material impact on the Company or Group from any perspective, including but not limited to, financial, operational, strategic or reputational.

The matters which are clearly decided on and approved by the Board are clearly documented in the minutes of meetings and kept with the Company.

Provision 1.4

Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established three Board Committees, comprising an Audit Committee (the “**AC**”), a Nominating Committee and a Remuneration Committee (the “**RC**”). These committees function within clearly defined written terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board.

Provision 1.5

Meetings of Board and Board Committees

The Board and its committees meet regularly through scheduled meetings and as warranted by particular circumstances. If Directors are unable to attend meetings in person, telephonic means of communications are allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas are circulated in advance, with board papers and related materials dispatched before the meetings.

Notwithstanding the above, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad hoc meetings are also convened as and when they are deemed necessary.

During FY2024, the Company has held two Board Meetings.

Multiple Board Representations

All Directors are required to declare their board representations. The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention are given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Director of the Company.

The Directors had committed considerable time towards board meetings and board committee meetings held in FY2024 and adjusted their schedules to ensure participation in meetings for the deliberation of issues. The NC is of the view that the Directors have committed their time effectively to discharge their responsibility.

The frequency of meetings and the attendance of each Director at every Board and Board Committees meetings for FY2024 are disclosed in the table reflected below:

Type of Meetings	Board	AC	NC	RC	AGM
No. of Meetings Held	2	3	1	1	1
Name of Directors	No. of Meetings Attended				
Peter Sim	2	2*	1	1*	1
JS Sim	2	2*	–	–	1
Adeline Sim	2	3*	–	–	1
Jennifer Kang	2	3*	–	–	1
Mae Heng	2	3	1	1	1
Gao Yong	1	1*	–	–	1
Pong Chen Yih	2	3	1	1	1
Hiroshi Sato	2	3	–	–	1
Albert Ellis	2	3*	–	–	1

* Attended by invitation.

Provision 1.6

Board's Access to Information

Management places a high priority on providing complete, adequate and timely information to the Board prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Board members received half yearly financial performance of the Group and the Board will also be updated on industry trends and developments. As far as practicable, Board members will receive board papers seven days in advance of the meeting to enable them to have sufficient time to fully consider and deliberate issues to be considered at the meetings. Minutes of previous meetings are tabled and confirmed at Board meetings.

Provision 1.7

Board's Access to Management and Company Secretary

The Board has at all times separate and independent access to Management and the Company Secretary through electronic mail, telephone and face-to-face meetings and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key management personnel, the Company's auditors or external consultants are also invited to attend relevant Board and Board committee meetings to update and provide independent professional advice on specific issues, where necessary.

Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and Independent Directors.

The role of the Company Secretary includes responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. She assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. She administers and attends all Board and Board Committee meetings of the Company and prepare minutes of meetings.

The appointment and removal of the company secretary is a decision of the Board as a whole.

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice, at the Company's expense.

2. BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1, 2.2 and 2.3

Independent Element of the Board, Composition of the Independent Directors and Non-Executive Directors on the Board

The Board comprises nine Directors of whom four are Executive Directors and five are Independent Non-Executive Directors ("INEDs"), thus providing strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group. There are adequate safeguards and checks in place to ensure that decision making process by the Board is independent. The Board has always discussed important issues robustly and have always been able to reach a consensus on the votes without having to rely on any majority of the votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group. With a majority of the Directors deemed to be independent, the Board is able to exercise independent and objective judgement on Board affairs.

Independent Directors

The NC and the Board in its determination of the independence of a Director takes into account inter alia, the criteria given in the Listing Manual and the Code, the existence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and officers and if applicable, whether such relationships can interfere or be reasonably perceived to interfere, with the existence of such Director's independent judgement.

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. Each of the Independent Directors also confirmed that they are independent and have no relationship identified in the Code.

The NC, having considered the above and the declarations made by each of the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interest of the Company.

The Board confirms that none of the Independent Directors have served on the Board beyond nine years from the date of his or her first appointment.

Provision 2.4

Composition and Size of the Board

The composition and size of the Board are reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

Having considered the scope and nature of the operations of the Group, the requirements of the Group's business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the NC with the concurrence of the Board, is of the view that the current Board size of nine Directors and its structure is appropriate and adequate and that the Board possesses the appropriate diversity.

The NC also takes into account the mix of skills, genders and core competencies of its members, to ensure a good balance and diversity of skills, knowledge and experience. The Board as a group comprises members with core competencies in accounting and finance, law, business management experience, industry knowledge, strategic planning and customer-based experience and knowledge.

In accordance with the Code, the Company has formalised a Board Diversity Policy. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has three female directors, representing 33% of total Board membership. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide core competencies to allow for diverse and objective perspective on the Group's business and direction. Further information on the individual Director's background, experience and skills can be found in the Directors' Profiles set out on pages 12 to 17 of this Annual Report.

A summary of the composition of the Board and its Committees is set out below:

Name of Directors	Board	AC	NC	RC
Peter Sim	Founding Chairman Executive Director	–	Member	–
JS Sim	Executive Director	–	–	–
Adeline Sim	Executive Director	–	–	–
Jennifer Kang	Executive Director	–	–	–
Mae Heng	Independent Director	Chairman	Member	Chairman
Gao Yong	Independent Director	–	–	Member
Pong Chen Yih	Independent Director	Member	Chairman	Member
Hiroshi Sato	Independent Director	Member	–	–
Albert Ellis	Independent Director	–	–	–

Provision 2.5

Regular Meetings of Non-Executive Directors and Independent Directors

During the year, the Independent Non-Executive Directors of the Board, led by the Lead Independent Director or other Independent Directors as appropriate, communicate among themselves without the presence of the Management as and when the need arises. They also communicate regularly to discuss matters related to the Group, including reviewing the performance of the Management in meeting agreed goals and objectives and monitoring the reporting of performance. The Chairman of such meetings provides feedback to the Board and/or Management as appropriate.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2

Roles and Responsibilities of Chairman & Executive Director

Peter Sim is the Founding Chairman of the Group since its founding in 1992.

The Company does not have a Chief Executive Officer (CEO). The Founding Chairman works together with the Executive Directors and senior management team, makes strategic proposals to the Board and after robust and constructive Board discussions, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions.

As the Founding Chairman, Peter Sim plays a vital role in assisting the Board to develop policies and strategies and ensuring that they are implemented effectively, creating values with his exhaustive knowledge of business and industry. He ensures that decisions on important matters are made after extensive deliberation and in consultation with the entire Board. He engages in constructive communication with shareholders at the general meetings. He exercises objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. He reviews Board papers before they are presented to the Board and ensures that the information provided is accurate, and consists of authentic details.

All the Board Committees are chaired by Independent Directors and a majority of the Board consists of Independent Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

Through the establishment of various Board Committees with power and authority to perform key functions without the undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensure there is an appropriate balance of power which allows the Board to exercise objective decision-making in the interest of the Company. The Board is of the view that Peter Sim's role as an executive Board Chairman would continue to facilitate the Group's decision-making and implementation process.

Provision 3.3

Lead Independent Director

Taking into account that the Board Chairman is an Executive Director and thus not independent, the Board has appointed Mae Heng as the Lead Independent Non-Executive Director to serve as a sounding board for the Board Chairman and also an intermediary between the Independent Directors and the Board Chairman. She is also responsible for providing leadership in situations where the Chairman is conflicted and is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate and inadequate. The Lead ID's email is maeheng@hrnetgroup.com.

4. BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

NC Membership and Terms of Reference

The NC comprises the following three Directors, a majority of whom are non-executive and independent:

Pong Chen Yih, Chairman	(Independent Non-Executive Director)
Mae Heng, Member	(Lead Independent Non-Executive Director)
Peter Sim, Member	(Executive Director and Founding Chairman)

The NC meets at least once a year.

The NC is guided by its written terms of reference, which set out its authority and duties. The principal functions of the NC include, inter alia:

- (a) making recommendations to the Board on all Board appointments and the composition of the Board of Directors, taking into account, among other things, the future requirements of the Group, the need for diversity on the Board as well as other considerations in accordance with the guidelines recommended under the Code;
- (b) making recommendations to the Board on relevant matters relating to the appointment and re-appointment of the directors (including alternate directors, if applicable);
- (c) regularly reviewing the structure, independence, size and composition of the Board of Directors and recommending to the Board such adjustments as it may deem necessary;
- (d) reviewing and determining annually, and as and when circumstances require, if a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors;
- (e) reviewing other directorships held by each director and deciding whether or not the director is able to carry out, and has been adequately carrying out, his duties as director, taking into consideration the director's number of listed company board representations and other principal commitments;
- (f) developing a process for evaluating the effectiveness and performance of the Board and its committees; and proposing objective performance criteria, as approved by the Board, that allow comparison with the industry peers (if available) and address how the Board has enhanced long-term shareholders' value;
- (g) assess the performance of the Board as a whole and contribution of each director to the effectiveness of the Board;
- (h) review of succession plans for directors, in particular, for the Chairman and key management personnel;
- (i) review of training and professional development programs for the Board;
- (j) review and approve any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment; and
- (k) other acts as may be required by the SGX-ST and the Code from time to time.

NC Responsibilities

The key responsibilities of the NC include making recommendations to the Board on the relevant matter such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the provisions of the Company's Constitution which stipulates that at each annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office by rotation in accordance with the Constitution, and may stand for re-election.

Pursuant to Article 94 of the Company's Constitution, Peter Sim, Pong Chen Yih and Sato Hiroshi will retire at the Company's forthcoming annual general meeting and will be eligible for re-election. The Board has accepted the NC's recommendation for the re-election of Peter Sim, Pong Chen Yih and Sato Hiroshi. In making the recommendation, the NC had considered the Directors' overall contribution and performance.

When a Director has multiple listed company board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that five of the directors, Mae Heng, Gao Yong, Pong Chen Yih, Hiroshi Sato and Albert Ellis have multiple board representations. The NC is of the view that the matter relating to multiple listed company board representations should be left to the judgement of each Director given that time requirements for different board representations vary. And as such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold at this point in time.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his performance and independence, or his re-nomination as Director, or in any matter where he has an interest.

Alternate Directors

There are currently no alternate directors on the Board.

Provision 4.4

Determining Directors' Independence

Each Director completes a checklist to confirm his or her independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above and is of the view that Mae Heng, Gao Yong, Pong Chen Yih, Hiroshi Sato and Albert Ellis are independent based, inter alia, on the criteria given in the Listing Manual and the Code and their respective declarations.

Provisions 4.3 and 4.5

Process for the Selection and Appointment of New Directors

The NC determines a suitable size and composition of the Board, and evaluates the balance of skills, knowledge and experience of members of the Board required to add value and facilitate effective decision-making of the Company, taking into consideration the scope and nature of the operations of the Company.

However, the Company does not have a formal selection criterion for the appointment of new directors to the Board. When a vacancy arises under any circumstances, either as part of the Board renewal process or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will make reference checks, meet up with the candidates, assess their suitability, and make recommendations to the Board. Shortlisted candidates will then meet up with the other Board members before the Board approves the appointment.

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended the appointment to the Board and the Board approves the appointment. Pursuant to the Constitution of the Company, each director is required to retire at least once every three years by rotation, and all newly appointed directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring directors are eligible to offer themselves for re-election.

Formal letters will be sent to newly-appointed Director upon his or her appointment stating his or her duties and obligations as director.

Key information on Directors

Each Director's position, date of initial appointment, date of last re-election and Directorships/chairmanships held by the Directors in other listed companies are as follows:

Name of Directors	Date of initial appointment	Date of last re-election	Current directorship in listed companies	Past directorship in listed companies (preceding three years)
Peter Sim	21 September 2016	26 April 2023	–	–
JS Sim	21 September 2016	25 April 2024	–	–
Adeline Sim	16 May 2017	25 April 2024	–	–
Jennifer Kang	1 May 2023	25 April 2024	–	–
Mae Heng	16 May 2017	26 April 2023	<ul style="list-style-type: none"> ● Chuan Hup Holdings Limited ● Grand Venture Technology Limited ● Ossia International Limited ● Rex International Holding Limited ● ISDN Holdings Limited ● Progen Holdings Limited 	<ul style="list-style-type: none"> ● Apex Healthcare Berhad ● Novo Tellus Alpha Acquisition
Gao Yong	1 January 2022	25 April 2024	<ul style="list-style-type: none"> ● Beijing Career International Co. Ltd. ● Inmyshow Digital Technology (Group) Co., Ltd. 	–
Pong Chen Yih	1 July 2022	26 April 2023	<ul style="list-style-type: none"> ● Grand Venture Technology Limited ● Rex International Holding Limited 	● Figtree Holdings Limited
Hiroshi Sato	1 July 2022	26 April 2023	● Open Up Group Inc.	–
Albert Ellis	1 October 2022	26 April 2023	● Staffline Group Plc	–

The principal commitments of the Directors, if any, and other key information regarding the Directors are set out in the Directors' profile section in this Annual Report.

5. BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

Board Performance

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with applicable laws, and members of the Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole, the Board Committees, and the contribution of Chairman and each individual director to the Board.

For FY2024, all Directors participated in the evaluation by providing feedback to the NC in completing the form of Board and Board Committee Performance Evaluation. To ensure confidentiality and frank assessment, the evaluation forms completed by Directors were submitted to the Company Secretary and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.

The Board Chairman will act on the results of the performance evaluation and propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

In view of the size and composition of the Board, whereby almost all Independent Directors sit in the various Board Committees, the Board deems that there would be no value add for the NC to assess the effectiveness of each Board Committee.

Performance Criteria for Board Evaluation

The form of Board and Board Committee Performance Evaluation is circulated and completed by each member of the Board annually. This involves scoring and an invitation for feedback on a number of key areas, including Board composition and size, Board independence, Board process, Board access to timely and accurate information, internal controls and risk management, Board accountability to shareholders, Board interaction with Management, etc.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

Evaluation of Individual Directors

The NC assesses the individual Directors' performance, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings, the technical knowledge of the Directors, communication and interaction, knowledge of the Group's business and operations, etc.

The results of the evaluation and the feedback obtained from the Directors were collated by the Company Secretary and shared with the NC Chair and NC members and subsequently with the entire Board.

For FY2024, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review. No external facilitator has been engaged to perform the Board assessment process. Where relevant and when the need arises, the NC will consider such an engagement.

REMUNERATION MATTERS

6. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Matters concerning remuneration of the Board, key management personnel and employees who are related to the substantial shareholders, the Directors, if any, are handled by the RC whose primary functions include development of formal and transparent policies on remuneration matters in the Company.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee and Terms of Reference

The RC comprises the following three Directors, all of whom are non-executive and independent:

Mae Heng, Chairman	(Lead Independent Non-Executive Director)
Gao Yong, Member	(Independent Non-Executive Director)
Pong Chen Yih, Member	(Independent Non-Executive Director)

The RC meets at least once a year.

The RC is guided by its terms of reference, which sets out its authority and duties. The principal functions of the RC include, inter alia:

- (a) reviewing and recommending to the Board, in consultation with the Chairman of the Board (where applicable, such as in a case where the Chairman of the Board is not a member of the RC), for endorsement, a comprehensive remuneration policy framework and general framework and guidelines for remuneration of the directors and key management personnel;
- (b) reviewing recommendations made by the GROW Committee with regards to the administration of the HRnet GROW Plan, and recommending the same with such adjustments or modifications as it may deem necessary, to the Board, for endorsement;
- (c) reviewing and recommending to the Board, for endorsement, specific remuneration packages for each of the directors and the key management personnel;
- (d) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service;
- (e) recommending to the Board, for endorsement, performance targets for assessing the performance of each of the Executive Directors and key management personnel; and
- (f) other acts as may be required by the SGX-ST and the Code from time to time.

On annual basis, the RC reviews and approves the annual increments, variable bonus to be granted to the Executive Directors and key management personnel based on the key performance indicators set by the Company. Thereafter, RC's recommendations will be submitted for endorsement by the Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him or her. No director is involved in deciding his or her own remuneration, compensation or any form of benefits to be granted to him or her.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

Provision 6.4

RC's Access to Advice on Remuneration Matters

The Board is ultimately accountable for all remuneration decisions. The members of the RC are familiar with executive compensation matters as they manage their own businesses, and/or have held or are holding other senior positions and directorships. In discharging its responsibilities, the RC considers all aspects of remuneration and performs benchmarking against comparable organisations to ensure that all aspects of remuneration (including termination terms) are fair and competitive. The RC has access to expert advice regarding executive compensation matters, if required. Given that the company is in the business of executive recruitment and has the data, skills and knowledge regarding market practices on executive compensation matters, the Board did not engage any external remuneration consultant to advise on remuneration matters for FY2024.

7. LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 and 7.3

Remuneration of Executive Director and Key Management Personnel

The Company's remuneration structure for its Executive Director and key management personnel comprises both fixed and variable components. The variable component is linked to the Group or Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The Company also ensures that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The Group has entered into fixed-term service agreements with the Executive Directors, namely Peter Sim, JS Sim, Adeline Sim and Jennifer Kang. The current service agreements are valid until 31 March 2027. Subsequently, it may be renewed for an additional five years period or such period as the parties may agree.

Either party may terminate the service agreement at any time by giving the other party not less than three months' notice in writing, or in lieu of such notice, an amount equivalent to three months' salary based on Executive Directors' last drawn base salary.

For FY2024, the RC considered and approved the annual increments, variable bonus to be granted to the Executive Directors and the key management personnel based on the key performance indicators set out by the Company. There were no long-term incentive schemes introduced by the Company in FY2024.

Contractual Provisions Protecting the Company's Interests

The Company does not have any contractual provisions in the employment contracts with the Executive Directors and key management personnel pursuant to which the Company may reclaim the variable components of remuneration from the Executive Director and key management personnel in exceptional circumstances, such as any misstatement of financial results, or misconduct resulting in financial loss of the Company and the Group.

The Board is of the view that the formula for incentive bonus to Executive Directors and key management personnel is pegged to the profits of the Group. The Group has ample time to ensure that the revenue of the relevant period is collected and that profits are accurately accounted for and that any necessary adjustments can be made in the subsequent payout period.

Provision 7.2

Remuneration of Non-Executive Directors

The Board has considered and approved the RC's proposal in respect of the Non-Executive Directors' fees for FY2025. Non-Executive Directors are compensated based on fixed directors' fees taking into consideration their effort and time spent, responsibilities and level of contribution to the Board and Board Committees. The total Directors' fees of S\$250,000 for FY2025 (the "2025 Directors' Fees") and related expenses are recommended by the Board for approval by the shareholders at the forthcoming annual general meeting of the Company. If the 2025 Directors' Fees are approved, the relevant Non-Executive Directors will be paid the 2025 Directors' Fees, out of which a total of S\$190,000 will be applied as consideration for the issuance of a total of 298,414 Shares to Ms Mae Heng, Mr Albert George Hector Ellis, Mr Pong Chen Yih and Mr Esmond Choo, with the exception of Mr Gao Yong and Mr Hiroshi Sato who will be fully paid in cash. The issue price for such remuneration Shares is S\$0.6367 and is determined on the basis of the volume-weighted average closing price of the Shares traded on the SGX-ST for the five market days up to and including 3 April 2025, being the latest practicable date prior to the date of this Report, and applying a discount of 10%. The issuance of such remuneration Shares will be treated as an acquisition of Shares by the relevant Directors and such Shares will be issued out of treasury. Such issuance is subject to the listing approval of the SGX-ST. If the listing approval of the SGX-ST is not granted, the relevant amount of the 2025 Directors' Fees will be paid in cash. The remuneration Shares will rank pari passu with the existing issued Shares.

None of the members of the RC or any director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him or her.

8. DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.2

Remuneration Report

Details on the remuneration of Directors and key management personnel for FY2024 are presented in the following tables.

Remuneration of Directors

The table below shows the breakdown of the remuneration and fees of the Directors for FY2024. Shareholders' approval will be sought at the forthcoming annual general meeting for payment of fees for the financial year ending 31 December 2025.

The level and mix of remuneration paid or payable to the Directors for FY2024 are set out below:

Name of Directors	Salary ⁽¹⁾ \$	Bonus ⁽²⁾ \$	Director's Fees \$	Other Benefits \$	Total Compensation \$
DIRECTORS					
Peter Sim	246,120	–	–	–	246,120
JS Sim	403,344	–	–	–	403,344
Adeline Sim	409,872	16,418	–	2,865	429,155
Jennifer Kang Ah Eng	360,240	–	–	4,185	364,425
Mae Heng	–	–	70,000	–	70,000
Albert Ellis	–	–	45,000	–	45,000
Gao Yong	–	–	45,000	–	45,000
Hiroshi Sato	–	–	45,000	–	45,000
Pong Chen Yih	–	–	45,000	–	45,000

Notes:

- (1) The salary amount shown is inclusive of allowances and statutory contributions to the Central Provident Fund.
- (2) The bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.

Remuneration of Key Management Personnel

The Group had key management personnel (who are not Directors or the CEO) in FY2024.

The details of the remuneration paid to the four key management personnel of the Company during FY2024 are set out below in bands (in percentage terms):

Name of Key Management Personnel ⁽¹⁾	Salary ⁽²⁾ %	Bonus ⁽³⁾ %	Other Benefits %	Total Compensation %
KEY MANAGEMENT PERSONNEL				
S\$250,001 to S\$500,000				
Daisy Tan	97	0	3	100
Jacelyn Chua Meng Hoon	75	25	0	100
Lorencz Tay Yuh Shiuan	60	38	2	100
Madeline Wan Poh Cheng	61	39	0	100

Notes:

- (1) The sequence is presented according to alphabetical order of names within each band.
- (2) The salary amount shown is inclusive of allowances and statutory contributions to the Central Provident Fund.
- (3) The bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.

The aggregate remuneration paid to the four key management personnel of the Group (who are not directors or CEO) in FY2024 amounted to S\$1.3million.

Remuneration of Immediate Family of Director

The details of the remuneration paid in excess of S\$100,000 to the immediate family of Director of the Company during FY2024 are set out below (in percentage terms):

Name of Immediate Family of Director	Salary ⁽³⁾ %	Bonus ⁽⁴⁾ %	Other Benefits %	Total Compensation %
IMMEDIATE FAMILY OF DIRECTOR				
S\$100,001 to S\$200,000				
Jocelyn Ho ⁽¹⁾	83	13	4	100
Joshua Sim ⁽²⁾	82	12	6	100

Notes:

- (1) Jocelyn Ho is the daughter-in-law of JS Sim and spouse of Joshua Sim.
- (2) Joshua Sim is the son of JS Sim.
- (3) The salary amount shown is inclusive of allowances and statutory contributions to the Central Provident Fund.
- (4) The bonus amount shown is inclusive of statutory contributions to the Central Provident Fund.

In FY2024, other than as disclosed, none of the employees who are substantial shareholders or are immediate family members of a director or a substantial shareholder of the Company were remunerated in excess of S\$100,000.

Provision 8.3

Other Payment and Benefits to Directors and Key Management Personnel including Employee Share Schemes

There are no employee share schemes, termination, retirement or post-employment benefits that are granted to the Directors and the key management personnel of the Group.

9. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

Provision 9.1

Risk Management and Internal Control Systems

The Board acknowledges that it is responsible for the overall risk management and internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group, in consultation with the internal auditors, has implemented the Enterprise Risk Management (“**ERM**”) framework which lays out the governing policies and procedures and complies with recommendation of the Code. The ERM framework is benchmarked against the Committee of Sponsoring Organisations of the Treadway Commission (i.e. “**COSO Model**”) which is designed to manage the Group’s risks and its internal control systems, so as to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

Risk Committee

The responsibility of overseeing the Group’s risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Group’s business operations as well as its existing internal controls and management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Group engages a professional audit firm to conduct internal audit reviews based on the plan approved by the AC.

During the year, the AC also reviewed the reports submitted by the internal auditors relating to the effectiveness of the Group’s internal controls, including adequacy of the Group’s financial, operational compliance and information technology controls. In addition, the Group evaluates its risk exposures based on the likelihood and impact of each risk identified. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board is satisfied that the Company worked closely with the internal and external auditors to implement the recommended measures and procedures, and strived to achieve high standards in risk management and internal controls.

The Board has received assurance from the Chairman and the Group Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of the Company's operations and finances, and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the Chairman and Group Chief Financial Officer referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2024.

10. AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.2

Membership

The AC comprises the following three Directors, all of whom are non-executive and independent:

Mae Heng, Chairman	(Lead Independent Non-Executive Director)
Pong Chen Yih, Member	(Independent Non-Executive Director)
Hiroshi Sato, Member	(Independent Non-Executive Director)

The AC meets at least twice a year.

Expertise of AC Members

The Chairman of the AC is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants. The other members of the AC have many years of experience in business management and exposure to financial aspects of businesses. The Board is satisfied that the members of AC have recent and relevant accounts or related financial management expertise and experience to discharge the functions of the AC.

Provision 10.3 Partners and Directors of the Company's Auditing Firm

None of the AC members were previously partners or directors of the Company's existing audit firm or auditing corporation within the previous 2 years nor does any of the AC members hold any financial interest in the Company's existing audit firm or auditing corporation.

Provision 10.1 Roles, Responsibilities and Authorities of AC

The AC is guided by its written terms of reference, which set out its authority and duties. The key functions of the AC include, inter alia:

- (a) undertake such other reviews and projects as may be requested by the Board and assist the Board in discharging its statutory responsibilities on financing and accounting matters;
- (b) review significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (c) review the assurance from the Chairman and the Group CFO on the financial records and financial statements;

- (d) review and report to the Board on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems at least annually;
- (e) review, with the external auditors, their evaluation of the system of internal accounting controls;
- (f) review the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (g) review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- (h) review the statements to be included in the annual report concerning the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (i) review, with the internal auditor, his evaluation of the implementation and effectiveness of the Compliance Framework, and overseeing the Compliance Committee;
- (j) review any matters escalated by the Compliance Committee and making recommendations to the Compliance Committee and, if necessary or appropriate, the Board with a view to resolving or mitigating such matters;
- (k) review any interested person transactions as defined in the Listing Manual of SGX-ST;
- (l) review and approve all hedging policies and types of hedging instruments to be implemented by the Company, if any;
- (m) monitor and review the effectiveness of the internal audit function;
- (n) appraise and report to the Board on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls;
- (o) make recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;
- (p) review any actual or potential conflicts of interest that may involve the Directors as disclosed by them to the Board and exercise directors' fiduciary duties in this respect;
- (q) review the policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The AC shall ensure that these arrangements allow such concerns to be raised, proportionate and independent investigation of such matters and appropriate follow up action to be taken;
- (r) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (s) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (t) generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, Executive Officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

During FY2024, the AC reviewed the financial results announcements of the Company on a half yearly basis before their submission to the Board for approval. In the process, the AC reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance. The AC also reviewed all Interested Person Transactions as well as the use of IPO proceeds.

The AC had reviewed the external auditor's audit memorandum for FY2024 and with the auditors' proposed significant areas of focus and assumptions that impact the financial statements before an audit commences. In its review of the financial statements of the Group for FY2024, the external auditors had discussed with Management together with the AC, the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered clarity of key disclosures in the financial statements. The AC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2024. The key audit matters can be found on page 96 of this Annual Report.

AC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept up to date by Management, external and internal auditors on changes to accounting standards, SGX-ST rules and other codes and regulations which can have an impact on the Group's business and financial statements.

Independence of External Auditors

The AC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors and the AC was of the view that the non-audit services provided by the external auditors in FY2024 did not prejudice their objectivity and independence.

The fees paid or payable to the external auditors in FY2024 for audit and non-audit services amounted to S\$328,000 and S\$71,000, respectively.

In respect of the audit quality indicators, the AC had reviewed, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party's inspection of their work, compliance with independence requirement, quality control, staff oversight and staff attrition rate.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by the external auditors. It has recommended to the Board the nomination of the external auditors, Deloitte & Touche LLP, for re-appointment as external auditors at the forthcoming annual general meeting of the Company.

The Company has complied with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of its external auditors.

Whistle-blowing Policy

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and to assure them that they will be protected from victimisation for whistle-blowing in good faith, whistle-blowers may report directly to the Chairman of the AC.

Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offence and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action. To the extent that is permissible by law, the identity of the whistle-blower is kept confidential.

The Group takes concerns raised in respect of the integrity and honesty of its employees very seriously. The whistle-blowing policy as well as whistle-blowing communication channel, has been disseminated to all staff via internal HR portal.

The whistle-blowing policy is reviewed by the AC from time to time to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements.

Provision 10.4

Internal Audit

The AC's responsibilities over the Group's internal controls and risk management are completed by work of the Group's internal auditors.

The Company outsources the internal audit function to an external professional firm to perform the internal audit function, review and test of controls of the Group's processes. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the chairman of the AC and has full access to the Company's documents, records, properties and personnel.

In FY2024, the Board engaged Ernst & Young Advisory Pte Ltd as its internal auditors to review the pre-selected areas of the operations of the Group. The AC, having considered, amongst others, the reputation and track record of Ernst & Young Advisory Pte Ltd and the qualifications, experience and availability of resources and independence of the team at Ernst & Young Advisory Pte Ltd, is satisfied that the appointment of Ernst & Young Advisory Pte Ltd as the Group's internal auditors is appropriate.

Internal Audit Function

The internal auditor function plans its internal audit schedules in consultation with, but independent of, the Management. The internal auditors, Ernst & Young Advisory Pte Ltd, is staffed with professionals with relevant qualification and experience. The internal audit plan, the scope of audit examination and the internal audit budget are submitted to the AC for approval prior to the commencement of the internal audit. The internal audit is carried out in accordance with the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC annually reviews the activities of the internal auditors, including overseeing and monitoring the implementation of improvements required on internal control weaknesses identified.

Having reviewed the internal auditors' plan and activities, the AC is satisfied with the quality and effectiveness of the internal audit function and that the internal audit function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

In addition, as a preventive measure to strengthen its cyber security, the Company also engaged a third-party cyber security specialist firm to perform penetration tests on the Group's internal network and web applications.

Provision 10.5

Meeting with External and Internal Auditors

During FY2024, the Group's external and internal auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the external and internal auditors without the presence of the Management, at least annually.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

11. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1 and 11.4

Conduct of General Meetings

All shareholders of the Company are informed the annual general meeting published in the newspaper and the Company's announcement via SGXNet or its website as well as through the notice of the general meeting dispatched to them. In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, it is implementing the use of electronic communications where the printed copies of annual report and circular will not be sent to shareholders unless requested by shareholders via the submission of a request form.

The Company encourages shareholders' participation at annual general meetings, and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairperson of each of the Board committees.

Shareholders are also informed of the rules and voting procedures governing such meetings.

All resolutions at general meetings are voted by poll so as to better reflect the shareholders' interests and ensure greater transparency. The Company adopts an electronic poll voting system to register the votes of shareholders who attend the general meetings. The Company appoints an independent external party as scrutineer for the electronic poll voting process.

Prior to each general meeting, the scrutineer will review the proxies and the electronic poll voting system to ensure that the information is compiled correctly. The scrutineer also attends the general meetings to ensure that the polling process is properly carried out.

Provision 11.4 of the 2018 Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not, however, allow shareholders to vote at general meetings in absentia. The Board will consider implementing the relevant amendments to the Constitution when there is a demand for such alternative methods of voting and after the Board have evaluated and ensured that security integrity and other pertinent issues are satisfactorily resolved.

The Board supports the Code's principle of encouraging shareholder participation. The Constitution of the Company allows a member (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries to appoint multiple proxies, and empower Central Provident Fund investors to attend and vote at general meetings of the Company as their Central Provident Fund agent banks' proxies.

Conduct of 2025 AGM

The Company will be holding a wholly physical AGM in 2025.

Provision 11.2

Separate Resolutions at General Meeting

The Board ensures that each distinct issue is proposed as a separate resolution at general meetings and resolutions are generally not "bundled" or made inter-conditional on each other. Where resolutions are "bundled", the reasons and material implications for doing so are set out in the notice calling the general meeting.

Provision 11.3

Interaction with Shareholders

The Directors attend all General Meetings of the Company to address issues raised by shareholders. The Company's external auditors are also present to assist the Board in addressing any relevant queries from shareholders. Appropriate key management personnel are also present at the general meetings to respond, if necessary, to operational questions from shareholders.

The attendance of Directors is set out on page 65 of this annual report.

Provision 11.5

Minutes of General Meetings

Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

Beginning from the 2020 AGM, the Company has published minutes of general meetings of shareholders on its corporate website and SGXNet as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management, which are addressed at the general meeting.

Provision 11.6

Dividend Policy

The Company currently does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors:

- (a) the Company's financial position, results of operations and cash flow;
- (b) the ability of the subsidiaries to make dividend payments to the Company;
- (c) the expected working capital requirements to support the Group's future growth;
- (d) the ability to successfully implement the Group's future plans and business strategies;
- (e) the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing the operations;
- (f) general economic conditions and other factors specific to the industry or specific projects; and
- (g) any other factors deemed relevant by the directors at the material time.

The Board intends to declare and distribute dividends of at least 50% of the Company's net profit after tax (excluding exceptional items) to its shareholders to reward Shareholders for participating in the Group's growth.

The proposed dividend payout for FY2024 would constitute approximately 85% of net profit after tax in FY2024, subject to shareholders' approval at the forthcoming annual general meeting.

12. ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3

Communication with Shareholders

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable due to confidentiality reasons.

The Company does not practise preferential and selective disclosure to any group of shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the general meetings to answer questions relating to matters overseen by the respective committees. To enhance and encourage communication with shareholders and investors, shareholders and investors can send their enquiries through email to the Company's investor relations at ir@hrnetgroup.com.

Investor Relations Policy

The Company has adopted an investor relations policy to formalise the principles and practices that the Company applies to provide current and prospective investors with information necessary to make well-informed investment decision and to ensure a level playing field.

The Investor Relations Policy is set out at our corporate website <https://hrnetgroup.listedcompany.com/>.

13. ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2

Relationship with Stakeholders

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, clients and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Stakeholders' Report is set out on page 35 of this Annual Report.

Provision 13.3

Communications with stakeholders

The Company's contact information is reflected on its current corporate website, to enable stakeholders to contact the Company.

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES OF THE COMPANY

In compliance with Rule 1207(19) the Listing Manual on dealings in securities, the Company has in place an Insider Trading Policy that provides guidance to employees with regards to dealings in its securities that would satisfy the Rule. Directors and employees of the Company are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees during the period commencing one month before the announcement of the Company's half year and full year financial statements respectively, and ending on the date of the announcement of the results.

All Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two business days of the transactions. The Board is satisfied with the Group's commitment in compliance with the Code. The Company has complied with Rule 1207(19)(c).

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, there are no material contracts of the Group involving the interests of a Director or controlling shareholder, either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on half yearly basis to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Details of the interested person transactions required to be disclosed under Rule 907 of the Listing Manual of the SGX-ST are as follows:

Name of Interested Person Transaction		Aggregate value of all interested person transactions in FY2024 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted in FY2024 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000 ⁽²⁾
RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd ⁽¹⁾			
(a)	Working capital loan	436	N.A.
(b)	Provision of management services	515	N.A.
(c)	Provision of recruitment services	8	N.A.
(d)	Provision of software services	38	N.A.

Notes:

- (1) Aviel Sim, who is one of the controlling shareholders, son of Peter Sim and brother of Adeline Sim, holds 20% of the equity interest in RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd. Accordingly, RecruitFirst Limited, RecruitFirst Staffing Sdn Bhd and Octomate Staffing Pte Ltd are associates of Aviel Sim and interested person in relation to the Group.
- (2) The Group did not obtain a shareholders' mandate under Rule 920 of the Listing Manual.

Corporate Governance

USE OF IPO PROCEEDS

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$174.1 million, the utilisation of which as of 31 December 2024 is set out as below:

	Amount utilised S\$ million
Purchase of equity instrument designated at FVTOCI	64.0
Purchase of financial assets mandatorily measured at FVTPL	39.3
Start-up of subsidiaries	9.9
Acquisition and investment in subsidiaries	10.1
IPO related expenses	9.1
	<u>132.4</u>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION – APPENDIX 7.4.1 TO THE LISTING MANUAL

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the Company shall provide the information relating to the directors who are standing for re-election at the forthcoming annual general meeting as set out in Appendix 7.4.1 to the Listing Manual.

Peter Sim, Pong Chen Yih and Sato Hiroshi are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 25 April 2025 under Ordinary Resolutions 4 to 6 respectively set out in the notice of annual general meeting dated 10 April 2025 (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to each Retiring Director as set out in Appendix 7.4.1 to the Listing Manual is set out below:

Name of Directors	Peter Sim	Pong Chen Yih	Sato Hiroshi
Date of first appointment	21 September 2016	1 July 2022	1 July 2022
Date of last re-appointment	26 April 2023	26 April 2023	26 April 2023
Age	71	49	68
Country of principal residence	Singapore	Singapore	Japan
The Board’s comments on re-appointment	<p>Peter Sim as the Founding Chairman has in-depth knowledge and business experience on the Group’s operation. His leadership will continue to enhance Board deliberations and set the direction of growth for the Group.</p> <p>The Nominating Committee and Board recommend the re-appointment of Peter Sim as an Executive Director of the Company.</p>	<p>Pong Chen Yih was a practicing lawyer from 2002 till he co-founded Novus Corporate Finance Pte. Ltd. (“Novus”) in 2018. He is now the Chief Operating Officer of Novus, a corporate firm licenced by both SGX-ST and the Monetary Authority of Singapore.</p> <p>With his extensive legal knowledge, he will be able to provide greater balance to the core competencies of the Board. The Nominating Committee and Board recommend the re-appointment of Pong Chen Yih as an Independent Non-Executive Director of the Company.</p>	<p>The Board concurs with the Nominating Committee’s views that Sato Hiroshi, if re-elected, will continue to utilise his wealth of work experience as a CFO of a listed company, which will be beneficial to the Group.</p> <p>The Nominating Committee and Board recommend the re-appointment of Sato Hiroshi as an Independent Non-Executive Director of the Company.</p>
Whether the appointment is executive, and if so, the area of responsibility	Executive. Peter Sim is the Founding Chairman of the Group. His areas of responsibility include, but are not limited to, providing leadership to the Board, and managing the overall operations and resources of the Group.	Non-Executive.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Founding Chairman and Executive Director Member of Nominating Committee 	<ul style="list-style-type: none"> Independent Non-Executive Director Chairman of the Nominating Committee Member of Remuneration Committee Member of Audit Committee 	<ul style="list-style-type: none"> Independent Non-Executive Director Member of Audit Committee

Corporate Governance

Name of Directors	Peter Sim	Pong Chen Yih	Sato Hiroshi
Professional qualifications	Bachelor of Arts from the University of Singapore	Bachelor of Laws, National University of Singapore	Bachelor of Economics, Keio University, Japan
Working experience and occupation(s) during the past 10 years	Founded HRnetOne which is the first entity of our Group in 1992.	Pong Chen Yih is the Chief Operating Officer of Novus Corporate Finance Pte. Ltd. (Novus), a corporate finance firm licenced by both SGX-ST and the Monetary Authority of Singapore. He was previously the lead partner for the Singapore Capital Markets Group of Baker McKenzie Wong & Leow where he practised law in the main areas of capital markets work, compliance, investments and mergers and acquisitions. He regularly speaks at local and international conferences and seminars on topics such as capital raising and Singapore Exchange listing requirements.	Sato Hiroshi is the CFO and board member at Open Up Group Inc. which is a recruitment company involved in the business of contract and staffing of engineers and is listed on the mainboard of the Tokyo Stock Exchange. Sato Hiroshi brings with him 20 years of experience as CFO of large listed companies such as Technopro Holdings in Japan. He led various M&A initiatives and cultivated a strong following of global institutional investors. Sato Hiroshi was recognised as “Best CFO elected by Institutional Investors Magazine under the 2019 All-Japan Executive Team Ranking, Professional and consumer category”.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in shares: 783,268,300	Direct interest in shares: 81,238	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Peter Sim is brother of JS Sim, Executive Director, father of Adeline Sim, Executive Director of the Company and father of Aviel Sim.	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	Nil	<ul style="list-style-type: none"> Figtree Holdings Limited Moroxite Holding Pte. Ltd. Technopro Holdings 	

Name of Directors	Peter Sim	Pong Chen Yih	Sato Hiroshi
Present	<ul style="list-style-type: none"> • HRnetGroup Limited and its subsidiaries • Persimmons Investment Holdings Pte. Ltd. • SIMCO Ltd 	<ul style="list-style-type: none"> • HRnetGroup Limited • Grand Venture Technology Limited • Rex International Holding Limited • Novus Investment Holdings Pte. Ltd. • Novus Corporate Finance Pte. Ltd. • Moroxite Holding Pte. Ltd. • Xer Technologies Pte. Ltd. • Rex Technologies Investment Pte. Ltd. • Rex International Investments Pte. Ltd. 	<ul style="list-style-type: none"> • HRnetGroup Limited • Open Up Group Inc.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	<p>Yes</p> <p>Mr Pong Chen Yih was a Non-Executive Director of Umbrella Ventures Pte. Ltd. from August 2020 to June 2021. He was not involved in the day to day management of Umbrella Ventures during the period of his directorship.</p> <p>Following his stepping down as a director, he was informed that Umbrella Ventures was placed under creditors' voluntary liquidation on 21 September 2021 as it was unable to meet its debts as and when they fell due, due to the COVID-19 situation in Singapore which had a significant impact on its business operations in the food and beverage industry. As at the date of this declaration, Umbrella Ventures Pte. Ltd. has since been dissolved under creditors' voluntary liquidation.</p>	No

Corporate Governance

Name of Directors	Peter Sim	Pong Chen Yih	Sato Hiroshi
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Name of Directors	Peter Sim	Pong Chen Yih	Sato Hiroshi
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 99 to 143 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt when they fall due.

1. Directors

The directors of the Company in office at the date of this statement are:

Sim Yong Siang
Sim Joo Siang
Sim Wei Ling, Adeline
Kang Ah Eng
Heng Su-Ling Mae
Gao Yong
Sato Hiroshi
Pong Chen Yih
Albert George Hector Ellis

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Directors' Statement

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company (<u>Ordinary shares</u>)				
Sim Yong Siang	–	–	783,268,300 ⁽¹⁾	783,268,300 ⁽¹⁾
Sim Joo Siang	–	–	783,268,300 ⁽¹⁾	783,268,300 ⁽¹⁾
Sim Wei Ling, Adeline	489,600	489,600	783,268,300 ⁽¹⁾	783,268,300 ⁽¹⁾
Kang Ah Eng	506,246	566,259	–	–
Heng Su-Ling Mae	–	53,607	–	–
Gao Yong	61,576	126,826	–	–
Pong Chen Yih	6,158	46,777	–	–
Albert George Hector Ellis	46,182	111,432	–	–
The ultimate holding company SIMCO Global Limited (<u>Ordinary shares</u>)				
Sim Yong Siang	–	–	2 ⁽¹⁾	2 ⁽¹⁾
Sim Joo Siang	–	–	2 ⁽¹⁾	2 ⁽¹⁾
Sim Wei Ling, Adeline	–	–	2 ⁽¹⁾	2 ⁽¹⁾
The immediate holding company SIMCO Limited (<u>Ordinary shares</u>)				
Sim Yong Siang	–	–	100 ⁽¹⁾	100 ⁽¹⁾
Sim Joo Siang	–	–	100 ⁽¹⁾	100 ⁽¹⁾
Sim Wei Ling, Adeline	–	–	100 ⁽¹⁾	100 ⁽¹⁾

Notes:

- (1) The directors' deemed interest in SIMCO Global Limited is through SIMCO Trust. SIMCO Trust is controlled by Mr Sim Joo Siang, Mr Sim Yong Siang and his spouse and the discretionary beneficiaries comprise Mr Sim Yong Siang and his spouse, Mr Sim Joo Siang and his spouse and Ms Sim Wei Ling, Adeline among other beneficial owners.

By virtue of section 7 of the Companies Act 1967, Mr Sim Yong Siang, Mr Sim Joo Siang and Ms Sim Wei Ling, Adeline are deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at 21 January 2025 were the same at 31 December 2024.

Directors' Statement

4. Share options

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. Audit Committee

The Audit Committee of the Company, consisting of all non-executive directors, is chaired by Ms Heng Su-Ling Mae, an independent director, and includes Mr Sato Hiroshi and Mr Pong Chen Yih who are also independent directors. The Audit Committee has met 3 times during the year and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) The audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal accounting controls;
- (b) The Group's financial and operating results and accounting policies;
- (c) The audit plans and results of the external auditors;
- (d) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- (e) The half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (f) The co-operation and assistance given by management to the Group's external auditors and internal auditors; and
- (g) The re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

6. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Sim Yong Siang

Sim Joo Siang

Date:

Independent Auditor's Report

To the members of HRnetGroup Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HRnetGroup Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 99 to 143.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
<p><u>Revenue recognition for professional recruitment and flexible staffing</u></p> <p>The Group recognised professional recruitment and flexible staffing revenue of \$55 million and \$508 million respectively for the year ended 31 December 2024.</p> <p>Revenue from professional recruitment is recognised at a point in time the permanent placement candidate signs the employment contract or commences full-time employment, depending on the terms of the contract. There is a risk that professional recruitment revenue is recognised for placements that did not occur. In addition, if the placement is not taken up by the candidate as agreed, it could result in the reversal of previously recorded revenue. There is also a risk that revenue is recognised before revenue recognition criteria are met, resulting in revenue being recognised in the incorrect period.</p> <p>Revenue for flexible staffing is recognised over time as the customer simultaneously receives and consumes the services the Group provides. There is a risk that flexible staffing revenue may be recognised prior to or after the contractor employee provides the service, resulting in revenue being recognised in the incorrect period.</p> <p>Refer to Note 2 for the relevant accounting policies.</p>	<p>Our procedures in relation to this key audit matter on revenue recognition included:</p> <ul style="list-style-type: none"> Obtained an understanding of the revenue processes, evaluated the design and implementation and tested the operating effectiveness of relevant controls relating to revenue recognition. Performed test of details on a sample of professional recruitment revenue to verify that the entity has satisfied the performance obligation demonstrated by the right to payment, evidenced by the candidate's commencement of work or signed letter of appointment between the candidate and the customer, as indicated in the terms of the contract. Performed cut off testing: (1) on a sample of professional recruitment revenue, verified that the candidate's date of work commencement or date of signed letter of appointment was in the current year; and (2) on a sample of flexible staffing revenue, verified that the revenue relates to service provided by the contractor employee in the current year.

Independent Auditor's Report

To the members of HRnetGroup Limited

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

To the members of HRnetGroup Limited

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

17 March 2025

Statements of Financial Position

31 December 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	258,398	271,586	77,562	33,325
Trade receivables	7	93,298	94,490	–	–
Other receivables and prepayments	8	7,313	6,858	90,767	81,307
Other assets		4,325	3,328	4,325	3,328
Other financial assets	9	68,745	61,785	29,358	50,983
Total current assets		432,079	438,047	202,012	168,943
Non-current assets					
Pledged deposits	6	1,182	1,210	–	–
Plant and equipment	10	2,827	2,105	–	–
Right-of-use assets	11	12,920	10,130	–	–
Other intangible assets	12	1,622	1,746	–	–
Other non-current assets		2,880	–	–	–
Goodwill	13	6,310	5,862	–	–
Subsidiaries	14	–	–	48,428	48,428
Other financial assets	9	19,748	19,242	18,147	17,641
Deferred tax assets	15	2,713	1,600	–	–
Total non-current assets		50,202	41,895	66,575	66,069
Total assets		482,281	479,942	268,587	235,012
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	16	9,623	8,788	–	–
Other payables and accruals	17	55,357	57,542	61,279	23,881
Lease liabilities	18	4,651	5,301	–	–
Income tax payable		8,978	9,650	366	199
Total current liabilities		78,609	81,281	61,645	24,080
Non-current liabilities					
Deferred tax liabilities	15	437	477	–	–
Lease liabilities	18	9,057	5,243	–	–
Total non-current liabilities		9,494	5,720	–	–

See accompanying notes to the financial statements.

Statements of Financial Position

31 December 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Capital, reserves and non-controlling interests					
Share capital	19	260,605	260,605	260,605	260,605
Treasury shares	19	(22,690)	(19,709)	(22,690)	(19,709)
Equity reserve	20	(46,821)	(47,193)	(437)	(437)
Investments revaluation reserve	21	(51,448)	(51,660)	(51,448)	(51,660)
Translation reserve	22	(4,806)	(4,172)	–	–
Retained earnings		243,999	238,743	20,912	22,133
Equity attributable to owners of the Company		378,839	376,614	206,942	210,932
Non-controlling interests		15,339	16,327	–	–
Total equity		394,178	392,941	206,942	210,932
Total liabilities and equity		482,281	479,942	268,587	235,012

See accompanying notes to the financial statements.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Year ended 31 December 2024

		Group	
	Note	2024	2023
		\$'000	\$'000
Revenue	23	566,996	578,469
Sub-contractor expenses		(444,786)	(439,503)
Gross profit		122,210	138,966
Other income, net	24	15,444	28,089
Selling, general, administrative and other expenses:			
Other employee benefit expenses		(63,942)	(71,076)
Facilities and depreciation expenses		(11,407)	(10,836)
Selling expenses		(3,032)	(3,064)
Other expenses		(2,647)	(3,610)
Finance costs		(623)	(454)
Profit before income tax		56,003	78,015
Income tax expense	25	(9,724)	(11,956)
Profit for the year	26	46,279	66,059
Other comprehensive loss:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value gain (loss) on investments in equity instruments designated at FVTOCI	21	212	(5,309)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(670)	(1,899)
Other comprehensive loss for the year, net of tax		(458)	(7,208)
Total comprehensive income for the year		45,821	58,851
Profit attributable to:			
Owners of the Company		44,518	63,563
Non-controlling interests		1,761	2,496
		46,279	66,059
Total comprehensive income attributable to:			
Owners of the Company		44,096	56,735
Non-controlling interests		1,725	2,116
		45,821	58,851
Basic and diluted earnings per share (cents)	27	4.53	6.44

See accompanying notes to the financial statements.

Statement of Changes in Equity

Year ended 31 December 2024

	Note	Share capital	Treasury shares	Equity reserve	Investments revaluation reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Balance as at 1 January 2023		260,605	(14,494)	(47,369)	(46,351)	(2,653)	212,081	361,819	16,404	378,223
<i>Total comprehensive (loss) income for the year</i>										
Profit for the year		-	-	-	-	-	63,563	63,563	2,496	66,059
Other comprehensive loss for the year		-	-	-	(5,309)	(1,519)	-	(6,828)	(380)	(7,208)
Total		-	-	-	(5,309)	(1,519)	63,563	56,735	2,116	58,851
<i>Transactions with owners, recognised directly in equity</i>										
Dividends	28	-	-	-	-	-	(36,910)	(36,910)	(1,578)	(38,488)
Purchase of treasury shares	19	-	(5,432)	-	-	-	-	(5,432)	-	(5,432)
Non-controlling interests arising from acquisition and capital contribution		-	-	-	-	-	-	-	393	393
Treasury shares reissued pursuant to share-based payment expenses	19	-	217	-	-	-	9	226	-	226
Change in ownership interests in subsidiaries	14	-	-	176	-	-	-	176	(1,008)	(832)
Total		-	(5,215)	176	-	-	(36,901)	(41,940)	(2,193)	(44,133)
Balance as at 31 December 2023		260,605	(19,709)	(47,193)	(51,660)	(4,172)	238,743	376,614	16,327	392,941
<i>Balance as at 1 January 2024</i>		260,605	(19,709)	(47,193)	(51,660)	(4,172)	238,743	376,614	16,327	392,941
<i>Total comprehensive income (loss) for the year</i>										
Profit for the year		-	-	-	-	-	44,518	44,518	1,761	46,279
Other comprehensive income (loss) for the year		-	-	-	212	(634)	-	(422)	(36)	(458)
Total		-	-	-	212	(634)	44,518	44,096	1,725	45,821
<i>Transactions with owners, recognised directly in equity</i>										
Dividends	28	-	-	-	-	-	(39,255)	(39,255)	(1,548)	(40,803)
Purchase of treasury shares	19	-	(3,343)	-	-	-	-	(3,343)	-	(3,343)
Non-controlling interests arising from acquisition and capital contribution		-	-	-	-	-	-	-	468	468
Treasury shares reissued pursuant to share-based payment expenses	19	-	362	-	-	-	(7)	355	-	355
Change in ownership interests in subsidiaries	14	-	-	372	-	-	-	372	(1,633)	(1,261)
Total		-	(2,981)	372	-	-	(39,262)	(41,871)	(2,713)	(44,585)
Balance as at 31 December 2024		260,605	(22,690)	(46,821)	(51,448)	(4,806)	243,999	378,839	15,339	394,178

See accompanying notes to the financial statements.

Statement of Changes in Equity

Year ended 31 December 2024

	Note	Share capital	Treasury shares	Equity reserve	Investments revaluation reserve	Retained earnings	Total equity
<u>Company</u>		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2023		260,605	(14,494)	(437)	(46,351)	21,110	220,433
<i>Total comprehensive (loss) income for the year</i>							
Profit for the year		–	–	–	–	37,924	37,924
Other comprehensive loss for the year		–	–	–	(5,309)	–	(5,309)
Total		–	–	–	(5,309)	37,924	32,615
<i>Transactions with owners, recognised directly in equity</i>							
Dividends	28	–	–	–	–	(36,910)	(36,910)
Purchase of treasury shares	19	–	(5,432)	–	–	–	(5,432)
Treasury shares reissued pursuant to share-based payment expenses	19	–	217	–	–	9	226
Total		–	(5,215)	–	–	(36,901)	(42,116)
Balance as at 31 December 2023		260,605	(19,709)	(437)	(51,660)	22,133	210,932

	Note	Share capital	Treasury shares	Equity reserve	Investments revaluation reserve	Retained earnings	Total equity
<u>Company</u>		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2024		260,605	(19,709)	(437)	(51,660)	22,133	210,932
<i>Total comprehensive income for the year</i>							
Profit for the year		–	–	–	–	38,041	38,041
Other comprehensive income for the year		–	–	–	212	–	212
Total		–	–	–	212	38,041	38,253
<i>Transactions with owners, recognised directly in equity</i>							
Dividends	28	–	–	–	–	(39,255)	(39,255)
Purchase of treasury shares	19	–	(3,343)	–	–	–	(3,343)
Treasury shares reissued pursuant to share-based payment expenses	19	–	362	–	–	(7)	355
Total		–	(2,981)	–	–	(39,262)	(42,243)
Balance as at 31 December 2024		260,605	(22,690)	(437)	(51,448)	20,912	206,942

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Group	
	2024	2023
	\$'000	\$'000
Operating activities		
Profit before income tax	56,003	78,015
Adjustments for:		
Depreciation of plant and equipment	1,043	760
Depreciation of right-of-use assets	6,244	6,732
Amortisation of intangible assets	519	425
Gain on lease modification	(4)	(25)
Interest income	(8,012)	(6,899)
Finance costs	623	454
Dividend income	(914)	(843)
Share-based payment expenses	355	226
Loss (gain) on disposal of plant and equipment	8	(1)
Gain on disposal of investments	(83)	–
Net fair value loss (gain) on financial assets mandatorily measured at FVTPL	4,311	(1,419)
Net fair value gain on other assets	(997)	(235)
Allowance for doubtful receivables	60	106
Operating cash flows before movements in working capital	59,156	77,296
Trade receivables	1,149	5,220
Other receivables and prepayments	(2,875)	168
Trade payables	835	596
Other payables and accruals	(2,096)	(19,159)
Cash generated from operations	56,169	64,121
Interest received	7,553	6,932
Interest paid	(623)	(454)
Income tax paid	(11,498)	(13,006)
Net cash from operating activities	51,601	57,593
Investing activities		
Dividends received	894	829
Purchase of plant and equipment and intangible assets	(2,173)	(2,195)
Proceeds from disposal of plant and equipment	3	2
Purchase of financial assets mandatorily measured at FVTPL	(60,968)	(41,104)
Proceeds from disposal of financial assets mandatorily measured at FVTPL	78,601	32,802
Purchase of financial asset measured at amortised cost	(92,255)	(51,923)
Proceeds from disposal of financial assets measured at amortised cost	63,140	45,928
Purchase of other assets	–	(1,999)
Net cash used in investing activities	(12,758)	(17,660)

See accompanying notes to the financial statements.

Year ended 31 December 2024

Notes to The Financial Statement

Year ended 31 December 2024

1 GENERAL

HRnetGroup Limited (the “Company”) (Registration No.201625854G) is incorporated in Singapore with its principal place of business and registered office at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the significant subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 17 March 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967 and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - The Group and the Company have applied all the new and revised SFRS(I) Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity via equity reserve and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I)s are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income" line item.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Equity instruments designated at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated investments in equity instruments that are not held for trading at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 9).

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income" line item (Note 24). Fair value is determined in the manner described in Note 4(b)(vii).

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other expenses” line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other expenses” line item.
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables. No impairment loss is recognised for investments in equity and debt instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (“GDP”), the future prospects of the industries in which the Group’s debtors operate and the forecast economic information that relate to the Group’s operations to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Significant increase in credit risk (cont'd)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the other expenses line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

LEASES - The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentive.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Furniture and fittings	-	2 to 6 years
Office equipment	-	2 to 5 years
Renovation	-	3 to 7 years
Computers and systems	-	1 to 10 years

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the consolidated financial statements.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives as below:

Computer software	-	3 to 5 years
Customer relationship	-	8 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indicator that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systemic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - The Group recognises revenue from the sales of services by contractor employees to customers ("flexible staffing" revenue) and the recruitment of permanent employees for our customers ("professional recruitment" revenue).

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the promised services is rendered to the customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the promised services before transferring them to the customer.

The average credit period for the rendering of services is 7 to 60 days. Management does not assess whether a contract has a significant financing component if the expectation at contract inception is that the period between payment by the customer and the transfer of the services to the customer will be less than one year. The Group does not have any significant financing components or extended payment terms.

Flexible staffing

Flexible staffing contracts are short-term in nature. Billings are generally negotiated and invoiced on a monthly basis as the flexible staffing services are rendered to the customer. Revenue from the majority of the flexible staffing services continues to be recognised over time as the customer simultaneously receives and consumes the services the Group provides. The Group has applied the practical expedient to recognise revenue for these services over the term of the agreement in proportion to the amount the Group has the right to invoice the customer.

Professional recruitment

Revenue from professional recruitment is recognised at a point in time the permanent placement candidate signs the employment contract or commences full-time employment, depending on the terms of the contract. The point of recognition is dependent on the terms of the contract of when the Group becomes entitled to invoice customers for the services rendered. The right to bill the customer signify when the point that the customer considers the service has been rendered.

Revenue from other fee-based services, such as our provision of payroll services, is recognised when the services are provided.

SUB-CONTRACTOR EXPENSES - Sub-contractor expenses are costs directly associated with the earning of revenue which primarily consists of payroll cost of contractor employees.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Current and deferred tax are recognised as an expense or income in profit or loss, except where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Singapore dollars using exchange rates prevailing on the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Notes to The Financial Statement

Year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost	411,562	396,392	181,904	127,679
Financial assets mandatorily measured at FVTPL	23,089	44,950	21,488	43,349
Financial assets designated at FVTOCI	12,435	12,223	12,435	12,223
	<u>447,086</u>	<u>453,565</u>	<u>215,827</u>	<u>183,251</u>
Financial liabilities				
Financial liabilities at amortised cost	51,865	51,521	61,279	23,881
Lease liabilities	13,708	10,544	–	–
	<u>65,573</u>	<u>62,065</u>	<u>61,279</u>	<u>23,881</u>

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks. The Group does not hold or issue derivative financial instruments for hedging and speculative purposes.

(i) Foreign exchange risk management

Foreign exchange risk occurs as a result of the Group's transactions that are not denominated in their respective functional currencies. These transactions arise from the Group's ordinary course of business.

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Singapore dollar, United States dollar, Japanese yen, Great British pound, Hong Kong dollar and Chinese yuan against the functional currencies of the respective Group entities.

At the reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Group	\$'000	\$'000	\$'000	\$'000
Singapore dollar	3,124	3,314	–	–
United States dollar	2,665	5,141	(25)	(96)
Japanese yen	13,793	17,961	–	–
Great British pound	10,135	9,694	–	–
Hong Kong dollar	6,635	7,277	–	–

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

	Assets		Liabilities	
	2024	2023	2024	2023
Company	\$'000	\$'000	\$'000	\$'000
United States dollar	1,659	3,184	–	–
Japanese yen	13,793	17,961	–	–
Great British pound	10,135	9,694	(17)	–
Hong Kong dollar	6,526	7,262	–	–

The Group has a number of direct foreign investments, whose net assets are exposed to currency translation risk. Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities and management reviews periodically that the net exposure is kept at an acceptable level.

Foreign currency sensitivity analysis

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit before tax will increase by:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	312	331	–	–
United States dollar	264	505	166	318
Japanese yen	1,379	1,796	1,379	1,796
Great British pound	1,014	969	1,012	969
Hong Kong dollar	663	728	653	726

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit before tax will decrease by the same amount.

10% represents management's assessment of the possible change in foreign exchange rates. This sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 10% change in foreign currency rates.

(ii) Interest rate risk management

Interest rate risk refers to changes in market interest rates which would have an impact on the interest income from cash and bank balances of the Group. The Group's exposure to interest rate risk relates primarily to the amounts held in bank deposits and investments in quoted debt securities, however, such impact is not expected to be significant.

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Equity price risk management

The Group is exposed to equity risk arising from equity investments classified at FVTPL and at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 9.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of equity investments at FVTOCI, if equity prices had been 10% higher/lower, the Group's investments revaluation reserve would increase/decrease by \$1.2 million (2023 : \$1.2 million).

In respect of equity investments at FVTPL, if equity prices had been 10% higher/lower, the Group's profit before tax for the year ended 31 December 2024 would increase/decrease by \$1.7 million (2023 : \$2.3 million).

(iv) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Overview of the Group's exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Group						
2024						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	93,331	(33)	93,298
Other receivables	8	Performing	12-month ECL	5,715	<u>–</u> <u>(33)</u>	5,715
2023						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	94,555	(65)	94,490
Other receivables	8	Performing	12-month ECL	5,252	<u>–</u> <u>(65)</u>	5,252
Company						
2024						
Other receivables	8	Performing	12-month ECL	90,761	<u>–</u>	90,761
2023						
Other receivables	8	Performing	12-month ECL	81,303	<u>–</u>	81,303

- (i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 7 include further details on the loss allowance for trade receivables.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 9 best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers to assess the credit ratings of its counterparties. The Group's exposure and the credit ratings of its counterparties are monitored continuously and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit approvals and other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the financial year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(vi) Liquidity risk management

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

All financial assets and liabilities as at 31 December 2024 and 2023, except for the fixed deposits as disclosed in Note 6, the debt and equity securities as disclosed in Note 9 and the lease liabilities as disclosed in Note 18, are interest-free and are repayable on demand or due within 1 year from the end of the reporting period.

(vii) Fair value of financial assets and financial liabilities

Some of the Group's financial assets are measured at fair value as at the end of the reporting period.

Notes to The Financial Statement

Year ended 31 December 2024

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vii) Fair value of financial assets and financial liabilities (cont'd)

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Group		Company		Fair value hierarchy	Valuation technique(s) and input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	Fair value as at (\$'000)							
	2024	2023	2024	2023				
Financial assets mandatorily measured at fair value through profit or loss (see Note 9)								
1) Quoted equity securities	15,776	21,768	15,776	21,768	Level 1	Quoted bid prices in an active market.	N.A.	N.A.
2) Quoted debt securities	5,712	5,418	5,712	5,418	Level 1	Quoted bid prices in an active market.	N.A.	N.A.
3) Unquoted equity security	1,601	1,601	–	–	Level 2	Unquoted bid prices in markets that are not active.	N.A.	N.A.
4) Unquoted debt securities	–	16,163	–	16,163	Level 2	Unquoted bid prices in markets that are not active.	N.A.	N.A.
Financial assets designated at fair value through other comprehensive income (see Note 9)								
5) Quoted equity securities	12,435	12,223	12,435	12,223	Level 1	Quoted bid prices in an active market.	N.A.	N.A.

There were no other transfers between Level 1, 2 and 3 in the period. The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of financial assets and liabilities at amortised cost on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital management policies and objectives

The Group reviews its capital structure annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings. The Group's overall strategy remains unchanged from prior year.

Notes to The Financial Statement

Year ended 31 December 2024

5 HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The immediate and ultimate holding companies of the Company are SIMCO Ltd, incorporated in the British Virgin Islands and SIMCO Global Ltd, incorporated in the Bahamas respectively. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the group entities entered into the following transactions with related parties:

	Group	
	2024	2023
	\$'000	\$'000
Subscription/acquisition of preference shares of subsidiaries by a close family member of key management personnel	–	286

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2024	2023
	\$'000	\$'000
Short-term benefits	2,760	3,208
Post-retirement benefits	107	106
Share-based payments	163	221
	3,030	3,535

6 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	86,106	113,016	11,556	7,025
Fixed and structured deposits	168,515	156,183	66,006	26,300
Restricted cash	3,778	2,387	–	–
Cash and cash equivalents in the statement of cash flows	258,398	271,586	77,562	33,325
Pledged deposits	1,182	1,210	–	–

Fixed and structured deposits bore interest at rates ranging from 1.10% to 4.25% (2023 : 1.57% to 4.20%) per annum and for a tenure of 1 month to 12 months (2023 : 1 month to 24 months).

Restricted cash relates to deposit placed by customers and can only be utilised for specified payment.

Pledged deposits act as a security for bank guarantees issued in the normal course of business.

Notes to The Financial Statement

Year ended 31 December 2024

7 TRADE RECEIVABLES

	Group	
	2024	2023
	\$'000	\$'000
Outside parties	93,331	94,555
Loss allowance	(33)	(65)
	<u>93,298</u>	<u>94,490</u>

The average credit period for the rendering of services is 7 to 60 days (2023 : 7 to 60 days). Interest is chargeable on certain overdue trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. The expected credit loss rate is approximately 0% for trade receivables outstanding for less than 90 days and for trade receivables past due for more than 90 days, the Group has recognised a loss allowance of 100%, except for the adjustment to factors that are specific to the debtors, because historical experience has indicated that these receivables are generally not recoverable. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group					
	Trade receivables - days past due					
	Not past due	≤ 30 days	31 to 60 days	61 to 90 days	> 90 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Estimated total gross carrying amount at default	62,423	20,521	7,422	2,344	621	93,331
Lifetime ECL	-	-	-	-	(33)	(33)
						<u>93,298</u>
2023						
Estimated total gross carrying amount at default	59,276	25,949	7,252	1,544	534	94,555
Lifetime ECL	-	-	-	-	(65)	(65)
						<u>94,490</u>

Notes to The Financial Statement

Year ended 31 December 2024

7 TRADE RECEIVABLES (cont'd)

The table below shows the movement in lifetime ECL - credit impaired that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Group \$'000
Balance as at 1 January 2023	–
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	106
Amounts written off	(39)
Exchange realignment	(2)
Balance as at 31 December 2023	65
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	60
Amounts written off	(93)
Exchange realignment	1
Balance as at 31 December 2024	33

As at 1 January 2023, trade receivables, accrued revenue and advance billings from contracts with customers amounted to \$99.8 million (net of loss allowance - nil), \$1.2 million (Note 8) and \$4.8 million (Note 17) respectively. Advance billings are recognised as revenue when the Group performs under the contract within 12 months subsequent to year end.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deposits	2,532	2,576	–	–
Prepayments	1,598	1,606	6	4
Other receivables due from subsidiaries	–	–	89,744	80,678
Interest receivable	1,891	1,432	877	494
Dividend receivable	140	130	140	130
Accrued revenue	985	896	–	–
Others	167	218	–	1
	7,313	6,858	90,767	81,307

The amount due from subsidiaries are unsecured, interest-free and repayable on demand.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Notes to The Financial Statement

Year ended 31 December 2024

9 OTHER FINANCIAL ASSETS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets mandatorily measured at FVTPL:				
Held-for-trading non-derivative financial assets				
- quoted equity securities (current)	15,776	21,768	15,776	21,768
- unquoted debt security (current)	–	16,163	–	16,163
- quoted debt securities (non-current)	5,712	5,418	5,712	5,418
- unquoted equity security (non-current)	1,601	1,601	–	–
	23,089	44,950	21,488	43,349
Financial assets at FVTOCI:				
Investments in equity instruments designated at FVTOCI				
- quoted equity securities (non-current)	12,435	12,223	12,435	12,223
Financial asset measured at amortised costs:				
Investment in debt security designated at amortised costs				
- unquoted debt security (current)	52,969	23,854	13,582	13,052
Total other financial assets (current)	68,745	61,785	29,358	50,983
Total other financial assets (non-current)	19,748	19,242	18,147	17,641
Total other financial assets	88,493	81,027	47,505	68,624

Financial assets mandatorily measured at FVTPL

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

In 2023, the investment in unquoted debt security comprises Credit Linked Notes (“CLN”) issued by a bank with good credit rating with effective yield ranging from 3.87% - 3.88%. The Group subscribed CLN at market price and will be redeemed at face value upon maturity within a year. CLN held by the Group are within a business model with the objective of realising cash flows through the sale of the asset with collection of contractual cash flows incidental to it, hence classified as at FVTPL. The CLN was redeemed in 2024.

The investments in quoted debt securities include 2 quoted corporate bonds (2023 : 2) that are paying 3.30% and 2.19% of interest per annum respectively. One of the bonds is a perpetual bond while another will mature in October 2036. The corporate bonds are held by the Group within a business model with the objective of realising cash flows through the sale of the assets with collection of contractual cash flows incidental to it, hence classified as at FVTPL.

Unquoted equity security comprises venture capital investment in 1 entity (2023 : 1) which represent less than 20% shareholdings in the entity. The investment is measured at fair value through profit or loss in accordance with SFRS(I) 9 *Financial Instruments*, as it represents an investment which the Group manages together with an intention of profit taking when the opportunity arises.

Notes to The Financial Statement

Year ended 31 December 2024

9 OTHER FINANCIAL ASSETS (cont'd)

Investments in equity instruments designated at FVTOCI

The investments in quoted equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

No investment in equity investments designated at FVTOCI has been disposed of during the current reporting period.

Financial asset measured at amortised costs

The investment in unquoted debt security refers to investment in short-term Singapore Government Securities ("SGS") issued by the Monetary Authority of Singapore at discount yields ranging from 2.93% to 3.60% (2023: 3.63% - 3.75%) to their face value and will be redeemed upon maturity within a year. SGS held by the Group is within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, it is classified as at amortised cost.

For the purposes of impairment assessment, financial asset measured at amortised costs is considered to have low credit risk as the counterparty to the investment has a AAA credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, management has taken into account the various external sources of economic data and credit rating by international credit rating agencies in estimating the probability of default of each of the financial asset occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Notes to The Financial Statement

Year ended 31 December 2024

10 PLANT AND EQUIPMENT

	Furniture and fittings	Office equipment	Renovation	Computers and systems	Total
<u>Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost:					
At 1 January 2023	693	677	7,674	4,398	13,442
Additions	33	193	858	280	1,364
Exchange realignment	(18)	(11)	(190)	(69)	(288)
Disposals	(96)	(77)	(1,192)	(226)	(1,591)
At 31 December 2023	612	782	7,150	4,383	12,927
Additions	68	53	1,377	280	1,778
Exchange realignment	1	(1)	4	(1)	3
Disposals	(138)	(69)	(2,613)	(1,367)	(4,187)
At 31 December 2024	543	765	5,918	3,295	10,521
Accumulated depreciation:					
At 1 January 2023	(621)	(626)	(6,712)	(3,951)	(11,910)
Depreciation for the year	(22)	(33)	(401)	(304)	(760)
Exchange realignment	16	10	171	61	258
Disposals	96	77	1,192	225	1,590
At 31 December 2023	(531)	(572)	(5,750)	(3,969)	(10,822)
Depreciation for the year	(35)	(124)	(547)	(337)	(1,043)
Exchange realignment	–	–	(2)	(3)	(5)
Disposals	138	69	2,604	1,365	4,176
At 31 December 2024	(428)	(627)	(3,695)	(2,944)	(7,694)
Carrying amount:					
At 31 December 2023	81	210	1,400	414	2,105
At 31 December 2024	115	138	2,223	351	2,827

Notes to The Financial Statement

Year ended 31 December 2024

11 RIGHT-OF-USE ASSETS

The Group leases office premises. The lease term ranges from 1 year to 7 years (2023 : 1 year to 6.25 years).

	Office premises
<u>Group</u>	<u>\$'000</u>
Cost:	
At 1 January 2023	34,543
Additions	848
Lease modifications	6,519
Exchange realignment	(765)
Derecognition	(2,987)
At 31 December 2023	38,158
Additions	6,754
Lease modifications	2,059
Exchange realignment	8
Derecognition	(12,659)
At 31 December 2024	34,320
Accumulated depreciation:	
At 1 January 2023	(24,913)
Depreciation for the year	(6,732)
Lease modifications	25
Exchange realignment	605
Derecognition	2,987
At 31 December 2023	(28,028)
Depreciation for the year	(6,244)
Lease modifications	220
Exchange realignment	(7)
Derecognition	12,659
At 31 December 2024	(21,400)
Carrying amount:	
At 31 December 2023	10,130
At 31 December 2024	12,920

The Group has leases for office premises which expired in the current financial year. The expired contracts were extended through exercising the extension options or replaced by new leases. These resulted in additions and lease modifications to right-of-use assets of \$9.0 million (2023 : \$7.4 million).

Notes to The Financial Statement

Year ended 31 December 2024

12 OTHER INTANGIBLE ASSETS

The amortisation expense has been included in the line item “facilities and depreciation expense” in profit or loss.

	Computer software	Customer relationship	Total
Group	\$'000	\$'000	\$'000
Cost:			
At 1 January 2023	2,720	1,362	4,082
Additions	831	–	831
At 31 December 2023	3,551	1,362	4,913
Additions	395	–	395
Disposals	(52)	–	(52)
At 31 December 2024	3,894	1,362	5,256
Accumulated amortisation:			
At 1 January 2023	(2,004)	(738)	(2,742)
Amortisation for the year	(255)	(170)	(425)
At 31 December 2023	(2,259)	(908)	(3,167)
Amortisation for the year	(394)	(170)	(519)
Disposals	52	–	52
At 31 December 2024	(2,556)	(1,078)	(3,634)
Carrying amount:			
At 31 December 2023	1,292	454	1,746
At 31 December 2024	1,338	284	1,622

13 GOODWILL

	Group	
	2024	2023
	\$'000	\$'000
Cost representing carrying amount:		
At 1 January	5,862	5,862
Arising from the acquisition of subsidiary	448	–
At 31 December	6,310	5,862

During the year, the Group acquired the business of Shanghai Allways Consulting Ltd, the financial effect of which was insignificant to the Group. As such, no further disclosures had been made in relation to this acquisition.

Goodwill acquired in business combinations are allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from the business combinations. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group	
	2024	2023
	\$'000	\$'000
Professional recruitment - a single CGU in People's Republic of China	4,683	4,683
Others*	1,627	1,179
	6,310	5,862

* Others comprise goodwill relating to CGUs which are individually not significant.

Notes to The Financial Statement

Year ended 31 December 2024

13 GOODWILL (cont'd)

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates during the period. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs using the CGUs' WACC determined using Capital Asset Pricing Model. The growth rates are based on CGUs-specific growth forecasts.

The Group prepares four years (2023 : four years) forecasts and extrapolates cash flow forecasts based on an estimated average revenue growth rate of 4.5% (2023 : 10.0%). Cash flows beyond this period are extrapolated based on an estimated growth rate of 2% (2023 : 2%). This rate does not exceed the average long-term revenue growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the single CGU in People's Republic of China is 9.9% (2023 : 13.0%) per annum.

As at 31 December 2024, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

14 SUBSIDIARIES

	Company	
	2024	2023
	\$'000	\$'000
Unquoted equity shares, at cost	48,428	48,428

Details of the Company's significant subsidiaries at 31 December 2024 are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2024	2023
			%	%
HRnet One Pte Ltd ("HRS") ⁽¹⁾	Singapore	Personnel recruitment and provision of human resources related services.	100	100
Recruit Express Pte Ltd ("RES") ⁽¹⁾	Singapore	Personnel recruitment and provision of human resources related services.	100	100

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore.

The following schedule shows the effects of changes in the Group's ownership interest in certain subsidiaries that did not result in change on control, on the equity attributable to owners of the Company:

	2024	2023
	\$'000	\$'000
Consideration for changes in ownership interest in subsidiaries	(1,261)	(832)
Non-controlling interests acquired	1,633	1,008
Difference recognised in equity reserves (Note 20)	372	176

Notes to The Financial Statement

Year ended 31 December 2024

14 SUBSIDIARIES (cont'd)

Information about the composition of the Group at the end of the financial year is as follows:

Principal activities	Place of incorporation and operation	Number of subsidiaries	
		2024	2023
Personnel recruitment and provision of human resource related services.	Singapore, Japan, South Korea, People's Republic of China, Indonesia	13	11
Employment, recruitment and personnel placement agency.	Singapore	4	4
Head office of enterprises operating abroad as employment, recruitment and personnel placement agency.	Singapore	4	4
Investment holding.	Singapore, Hong Kong S.A.R.	2	3
Outsourcing of HR related service and personnel recruitment.	People's Republic of China	1	1
Outsourcing of HR related service, labour dispatch and personnel recruitment.	People's Republic of China	2	2
Management of human resource functions and human resource consultancy services.	Singapore	1	1
Executive search and personnel placement agency.	Hong Kong S.A.R.	2	2
Provision of recruitment agency services.	Hong Kong S.A.R.	3	3
Personnel recruitment agency.	Malaysia	4	4
Provision of temporary and contracted staffing services.	Malaysia	2	2
Investment holding and management consultancy.	Thailand, Indonesia	2	2
Executive and management recruitment.	Thailand	1	1
Private employees procurement agency business licence.	Indonesia	2	2
Information technology consultancy.	Singapore	2	1
Employment agency and information technology consultancy.	Singapore	1	1
Provision of human resource management / management consulting service, paid job placement and worker dispatch business.	South Korea	1	1
Dormant.	Singapore, Hong Kong S.A.R., Taiwan, Malaysia, Australia	6	5
		53	50

Notes to The Financial Statement

Year ended 31 December 2024

15 DEFERRED TAX ASSETS (LIABILITIES)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group	
	2024	2023
	\$'000	\$'000
Deferred tax assets	2,713	1,600
Deferred tax liabilities	(437)	(477)
	<u>2,276</u>	<u>1,123</u>

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the financial year:

	Accelerated tax depreciation	Provisions and other temporary differences	Total
Group	\$'000	\$'000	\$'000
At 1 January 2023	(27)	1,117	1,090
Exchange realignment	(3)	(48)	(51)
(Charge) Credit to profit or loss for the year (Note 25)	(233)	317	84
At 31 December 2023	(263)	1,386	1,123
Exchange realignment	1	10	11
(Charge) Credit to profit or loss for the year (Note 25)	(107)	1,249	1,142
At 31 December 2024	<u>(369)</u>	<u>2,645</u>	<u>2,276</u>

16 TRADE PAYABLES

The trade payables mainly consist of Goods & Services Tax, Sales & Services Tax, Value-Added Tax and Consumption Tax payable to respective local tax authorities.

17 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accrued operating expenses	46,707	47,499	218	213
Other trade accruals and payables	–	2,284	–	–
Advanced billings	3,844	4,063	–	–
Deposits from customers	3,715	2,403	–	–
Dividends payable	1,091	1,293	–	–
Other payables due to subsidiary	–	–	61,061	23,668
	<u>55,357</u>	<u>57,542</u>	<u>61,279</u>	<u>23,881</u>

The amount due to subsidiary are unsecured, interest-free and repayable on demand.

Notes to The Financial Statement

Year ended 31 December 2024

18 LEASE LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
Maturity analysis:		
Year 1	5,077	5,752
Year 2	3,340	2,617
Year 3	2,859	909
Year 4	1,796	777
Year 5	1,636	777
Year 6 onwards	420	648
	15,128	11,480
Less: Unearned interest	(1,420)	(936)
	13,708	10,544
Analysed as:		
Current	4,651	5,301
Non-current	9,057	5,243
	13,708	10,544

The Group does not face a significant liquidity risk with regards to its lease liabilities.

19 SHARE CAPITAL AND TREASURY SHARES

Share capital

	Group and Company			
	Number of shares		Issued and paid up	
	2024	2023	2024	2023
	'000	'000	\$'000	\$'000
Issued and paid up:				
- At 1 January and 31 December	1,011,407	1,011,407	260,605	260,605

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

Treasury shares

	Group and Company			
	Number of treasury shares		Amount	
	2024	2023	2024	2023
	'000	'000	\$'000	\$'000
At 1 January	27,125	20,390	19,709	14,494
Treasury shares purchased	4,698	7,035	3,343	5,432
Treasury shares reissued pursuant to share-based payment expenses	(499)	(300)	(362)	(217)
At 31 December	31,324	27,125	22,690	19,709

Notes to The Financial Statement

Year ended 31 December 2024

19 SHARE CAPITAL AND TREASURY SHARES

Treasury shares (cont'd)

The Company acquired 4,698,000 (2023 : 7,035,000) of its issued shares through purchases on the SGX-ST during the financial year. The total amount paid to acquire the shares was \$3.3 million (2023 : \$5.4 million) and this was presented as a component within shareholders' equity.

The Company reissued 499,000 (2023: 300,000) treasury shares during the financial year pursuant to the share-based payment expenses. The Company expects to use the remaining treasury shares for purposes in accordance with Section 76K of the Companies Act 1967, including in relation to future employment share plans, placements and acquisitions.

20 EQUITY RESERVE

Equity reserve represents the following:

- (i) difference between purchase consideration and net assets transferred for business combination involving entities under common control; and
- (ii) difference between consideration for changes in ownership interest in subsidiaries and non-controlling interest acquired or disposed.

21 INVESTMENTS REVALUATION RESERVE

The investments revaluation reserve represents the cumulative losses arising on the revaluation of investments in equity instruments designated at FVTOCI.

Movement in investments revaluation reserves:

	Group and Company	
	2024	2023
	\$'000	\$'000
At 1 January	51,660	46,351
Fair value (gain) loss on investments in equity instruments designated at FVTOCI	(212)	5,309
At 31 December	51,448	51,660

22 TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve.

23 REVENUE

The Group derives its revenue from the transfer of services over time and at a point in time for flexible staffing and professional recruitment services respectively. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating segments* (see Note 30). A disaggregation of the Group's revenue for the year has been disclosed in Note 30.

Notes to The Financial Statement

Year ended 31 December 2024

24 OTHER INCOME, NET

	Group	
	2024	2023
	\$'000	\$'000
Interest income	8,012	6,899
Dividend income	914	843
Gain on disposal of investments	83	–
Net fair value (loss) gain on financial assets mandatorily measured at FVTPL	(4,311)	1,419
Government grants/subsidies and rebates	6,839	9,231
Reversal of trade related accruals	2,284	9,323
Others	1,623	374
	<u>15,444</u>	<u>28,089</u>

25 INCOME TAX EXPENSE

	Group	
	2024	2023
	\$'000	\$'000
Current tax	10,648	11,683
Under (Over) provision of current tax in prior year	3	(20)
Deferred tax (Note 15)	(1,142)	(84)
Withholding tax	215	377
	<u>9,724</u>	<u>11,956</u>

Domestic income tax is calculated at 17% (2023 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Group	
	2024	2023
	\$'000	\$'000
Profit before income tax	<u>56,003</u>	<u>78,015</u>
Income tax expense at statutory tax rate	9,520	13,263
Non-deductible (taxable) items	241	(1,698)
Tax rate differentials between Singapore and foreign countries	370	299
Under (Over) provision of current tax in prior year	3	(20)
Effect of tax exemption and rebate	(440)	(337)
Withholding tax	215	377
Others	(185)	72
	<u>9,724</u>	<u>11,956</u>

Notes to The Financial Statement

Year ended 31 December 2024

26 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2024	2023
	\$'000	\$'000
Defined contribution plans ⁽¹⁾	37,181	37,638
Allowance for doubtful receivables	60	106
Depreciation of plant and equipment	1,043	760
Depreciation of right-of-use assets	6,244	6,732
Amortisation of intangible assets	519	425
Expenses relating to short-term leases	593	538
Audit fees:		
- Deloitte & Touche LLP, Singapore	196	197
- Other Deloitte offices	132	130
Non-audit fees:		
- Deloitte & Touche LLP, Singapore	55	58
- Other Deloitte offices	16	34

⁽¹⁾ The defined contribution plans of contractor employees have been included in this disclosure.

27 EARNINGS PER SHARE

The calculation of the earnings per share attributable to the owners of the Company is based on the following data:

	Group	
	2024	2023
	\$'000	\$'000
Profit attributable to owners of the Company	44,518	63,563

	Group	
	Number of shares	
	2024	2023
	'000	'000
Weighted average number of ordinary shares used to compute basic and diluted earnings per share	981,693	986,799
Basic and diluted earnings per share (cents)	4.53	6.44

Notes to The Financial Statement

Year ended 31 December 2024

28 DIVIDENDS

On 26 April 2023, in respect of the financial year ended 31 December 2022, the Company declared a final one-tier tax exempt ordinary dividend of approximately \$18.5 million (\$0.0187 per share) which were paid on 12 May 2023 to its registered shareholders.

On 10 August 2023, in connection with the current financial year ended 31 December 2023, the Company declared a one-tier tax exempt interim dividend of approximately \$18.4 million (\$0.0187 per share) which were paid on 11 September 2023 to its registered shareholders.

On 25 April 2024, in respect of the financial year ended 31 December 2023, the Company declared a final one-tier tax exempt ordinary dividend of approximately \$20.9 million (\$0.0213 per share) which were paid on 24 May 2024 to its registered shareholders.

On 12 August 2024, in connection with the current financial year ended 31 December 2024, the Company declared a one-tier tax exempt interim dividend of approximately \$18.3 million (\$0.0187 per share) which were paid on 11 September 2024 to its registered shareholders.

In addition, the directors propose that a final one-tier tax exempt ordinary dividend of \$0.0213 per share be paid. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid subsequent to year end is \$20.9 million.

29 CONTINGENT LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
Banker's guarantees	954	977
Other pledged deposits	228	233
	1,182	1,210

The amount disclosed represents the aggregate amount of the contingent liabilities for the Group. The banker's guarantees and other pledged deposits are provided as security deposits and earmarked amounts in connection with application for various employment agency licences in Singapore, Malaysia and Taiwan, and various Singapore and Hong Kong S.A.R government service contracts. There are no indirect and contingent indebtedness with respect to third parties.

30 SEGMENT INFORMATION

For purposes of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn are segregated based on the type of services supplied. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating segments* as follows:

- (i) Professional recruitment.
- (ii) Flexible staffing.
- (iii) Others.

Notes to The Financial Statement

Year ended 31 December 2024

30 SEGMENT INFORMATION (cont'd)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of other income, other employee benefit expenses, facilities and depreciation expenses, selling expenses, other expenses and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Information regarding the operations of each reportable segment is included below.

Business segment revenue, gross profit and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Revenue		Gross Profit	
	2024	2023	2024	2023
Group	\$'000	\$'000	\$'000	\$'000
Professional recruitment	54,936	65,535	54,854	65,377
Flexible staffing	507,956	508,907	64,077	69,952
Others	4,104	4,027	3,279	3,637
	566,996	578,469	122,210	138,966

	Results	
	2024	2023
	\$'000	\$'000
Other income, net	15,444	28,089
Other employee benefit expenses	(63,942)	(71,076)
Facilities and depreciation expenses	(11,407)	(10,836)
Selling expenses	(3,032)	(3,064)
Other expenses	(2,647)	(3,610)
Finance costs	(623)	(454)
Profit before income tax	56,003	78,015

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

Geographical segment revenue and gross profit

	Revenue		Gross Profit	
	2024	2023	2024	2023
Group	\$'000	\$'000	\$'000	\$'000
Singapore	375,765	385,854	67,805	77,665
North Asia*	164,105	166,009	49,292	55,448
Rest of Asia#	27,126	26,606	5,113	5,853
	566,996	578,469	122,210	138,966

Notes to The Financial Statement

Year ended 31 December 2024

30 SEGMENT INFORMATION

Geographical segment assets

	2024	2023
Group	\$'000	\$'000
Singapore	378,181	377,814
North Asia*	90,428	92,739
Rest of Asia#	13,672	9,389
	<u>482,281</u>	<u>479,942</u>

* North Asia comprises Hong Kong S.A.R., Taiwan, People's Republic of China, Japan and South Korea.

Rest of Asia comprises Malaysia, Thailand and Indonesia.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor the tangible, intangible and financial assets attributable to each segment.

Liabilities are not allocated as they are not monitored by the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Information about major customers

No single customer accounted for more than 10% of the Group's total revenue. The top ten customers represent 26% (2023 : 23%) of the Group's total revenue.

31 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the Group and Company were issued but not effective.

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s–Volume 11

Effective for annual periods beginning on or after 1 January 2027

- SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

Shareholding Statistics

As at 11 March 2025

The information in this section does not take into account the aggregate amount of 300,000 shares bought back by the Company from the market on 10 March 2025, as such shares have not been credited into the Company's account as at 11 March 2025.

Issued and Paid-Up Capital	:	S\$266,062,054.87
Number of shares issued (including Treasury Shares)	:	1,011,406,872
Number and Percentage of Treasury Shares	:	31,701,020 and 3.24% ¹
Number of shares issued (excluding Treasury Shares)	:	979,705,852
Number and Percentage of Subsidiary Holdings ²	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

¹ Percentage is calculated based on 979,705,852 issued shares, excluding treasury shares.

² "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

DISTRIBUTION OF SHAREHOLDINGS AS AT 11 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	3	0.15	8	0.00
100 - 1,000	254	12.67	202,800	0.02
1,001 - 10,000	1,047	52.25	5,165,400	0.53
10,001 - 1,000,000	686	34.23	38,341,742	3.91
1,000,001 AND ABOVE	14	0.70	935,995,902	95.54
TOTAL	2,004	100.00	979,705,852	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 11 MARCH 2025

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	794,443,662	81.09
2	HSBC (SINGAPORE) NOMINEES PTE LTD	58,637,000	5.99
3	CITIBANK NOMINEES SINGAPORE PTE LTD	25,092,487	2.56
4	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	16,634,400	1.70
5	DBS NOMINEES (PRIVATE) LIMITED	13,265,871	1.35
6	RAFFLES NOMINEES (PTE.) LIMITED	8,433,286	0.86
7	IFAST FINANCIAL PTE. LTD.	4,604,300	0.47
8	PHILLIP SECURITIES PTE LTD	3,542,965	0.36
9	OCBC SECURITIES PRIVATE LIMITED	3,244,400	0.33
10	SIM WEI WEN AVIEL	2,334,500	0.24
11	TEH CHEONG HUA	2,100,000	0.21
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,329,100	0.14
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,265,400	0.13
14	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,068,531	0.11
15	ABN AMRO CLEARING BANK N.V.	984,600	0.10
16	DB NOMINEES (SINGAPORE) PTE LTD	850,100	0.09
17	MAYBANK SECURITIES PTE. LTD.	802,700	0.08
18	HENG SIEW ENG	670,100	0.07
19	CHUA MENG HOON	607,990	0.06
20	GOH GEOK LING	600,000	0.06
	TOTAL	940,511,392	96.00

Shareholding Statistics

As at 11 March 2025

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 11 March 2025)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
SIMCO Ltd	783,268,300	79.949	–	–
SIMCO Global Ltd. ⁽¹⁾	–	–	783,268,300	79.949
Butterfield Trust (Asia) Limited ⁽¹⁾	–	–	783,268,300	79.949
Sim Yong Siang ⁽²⁾	–	–	783,268,300	79.949
Sim Joo Siang ⁽²⁾	–	–	783,268,300	79.949
Sim Wei Ling, Adeline				
Mrs Tan Wei Ling, Adeline ⁽²⁾	489,600	0.050	783,268,300	79.949
Sim Wei Wen, Aviel ⁽²⁾	2,334,500	0.238	783,268,300	79.949
Sim Wei Rong Joshua ⁽²⁾	–	–	783,268,300	79.949
Nelly Sim Nee Tan Kheng Eng ⁽²⁾	–	–	783,268,300	79.949
Tan Eei Choo ⁽²⁾	–	–	783,268,300	79.949

Notes:

1. SIMCO Global Ltd has a deemed interest by virtue of Section 4(5) of the Securities and Futures Act (Cap. 289) arising from the listing of the shares of HRnetGroup Limited on 16 June 2017. Butterfield Trust (Asia) Limited's deemed interest in HRnetGroup Limited, in its capacity as trustee of the SIMCO Trust, arises by virtue of it having a 100% indirect holding in SIMCO Global Ltd. (via Greenview Nominees Limited as nominee), which has a 100% shareholding in SIMCO Ltd, which in turn has a direct and deemed interest in 783,268,300 shares of HRnetGroup Limited.
2. Sim Yong Siang ("Peter Sim"), Sim Joo Siang ("JS Sim"), Sim Wei Ling (Mrs Tan Wei Ling, Adeline) ("Adeline Sim"), Sim Wei Wen, Aviel ("Aviel Sim"), Sim Wei Rong Joshua, Nelly Sim Wee Tan Kheng Eng ("Nelly Sim") and Tan Eei Choo are deemed to have an interest in the shares of HRnetGroup Limited arising from the shares held by SIMCO Ltd in HRnetGroup Limited. The shares of SIMCO Ltd are wholly-owned by SIMCO Global Ltd. The shares of SIMCO Global Ltd are held as property of the SIMCO Trust.

SIMCO Trust is a revocable trust and was established by Peter Sim, Nelly Sim and JS Sim. Butterfield Trust (Asia) Limited acts as trustee of the SIMCO Trust and indirectly holds all the shares in SIMCO Global Ltd. (via Greenview Nominees Limited as nominee). The settlors of the SIMCO Trust are Peter Sim, Nelly Sim, and JS Sim. The settlors have collectively retained the power to instruct the trustee on matters relating to the investments of the assets of the SIMCO Trust, including the shares in SIMCO Ltd. Otherwise, the trustee has all other rights and powers in relation to the property comprised in the SIMCO Trust (which includes the SIMCO Trust fund) as the legal owner of such property, acting in its capacity as trustee of the SIMCO Trust, subject to any powers and restrictions contained in the SIMCO Trust Deed.

The beneficial owners of the assets comprised in the SIMCO Trust are the discretionary beneficiaries of the SIMCO Trust which comprise Peter Sim, Nelly Sim, JS Sim and Tan Eei Choo and their respective issue and remoter issue (which include the two minor children of Adeline Sim, the two minor children of Aviel Sim and the two minor children of Sim Wei Rong, Joshua). Peter Sim and Nelly Sim are spouses. Peter Sim and JS Sim are siblings. Adeline Sim and Aviel Sim are the children of Peter Sim and Nelly Sim. Sim Wei Rong is the child of JS Sim and Tan Eei Choo.

3. Percentage is calculated based on 979,705,852 issued shares, excluding treasury shares.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 19.1% of the issued ordinary shares of the Company is held in the hands of the public as at 11 March 2025 and therefore Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM” or the “Meeting”) of HRnetGroup Limited (the “Company”) will be held at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Friday, 25 April 2025 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2024 together with the Auditors’ Report thereon. **Resolution 1**
2. To declare a final tax exempt (one-tier) dividend of 2.13 Singapore cents per ordinary share for the financial year ended 31 December 2024. **Resolution 2**
3. To approve the payment of Directors’ fees (the “**2025 Directors’ Fees**”) of S\$250,000 and related expenses for the financial year ending 31 December 2025 (2024: S\$250,000 and related expenses) and that, pursuant to Rule 804 of the Singapore Exchange Securities Trading Limited Mainboard Rules, authority be and is hereby given to the Directors to allot and issue the following ordinary shares of the Company out of treasury (the “**Remuneration Shares 2025**”) to the following relevant Directors at an issue price of S\$0.6367 per Remuneration Share 2025, such amount to be off set against the 2025 Directors’ Fees payable to the relevant Director:
 - (a) Ms Heng Su-Ling, Mae in respect of 109,942 Remuneration Shares 2025;
 - (b) Mr Albert George Hector Ellis in respect of 70,677 Remuneration Shares 2025;
 - (c) Mr Pong Chen Yih in respect of 70,677 Remuneration Shares 2025; and
 - (d) Mr Esmond Choo Liong Gee in respect of 47,118 Remuneration Shares 2025.
[See Explanatory Note (i)] **Resolution 3**
4. To re-elect Mr Sim Yong Siang, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. [See Explanatory Note (ii)] **Resolution 4**
5. To re-elect Mr Pong Chen Yih, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. [See Explanatory Note (iii)] **Resolution 5**
6. To re-elect Mr Sato Hiroshi, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as a Director of the Company. [See Explanatory Note (iv)] **Resolution 6**
7. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

8. Authority to allot and issue shares and convertible securities

“That pursuant to Section 161 of the Companies Act 1967 (the “**Act**”) and Rule 806 of the Listing Manual Section B: Rules of Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Mainboard Rules**”), authority be and is hereby given to the Directors of the Company to:

- (A) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise;

Notice of Annual General Meeting

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus, or capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (B) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of Shares to be issued under such circumstances (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below); and
- (b) (subject to such manner of calculation and adjustments as may be prescribed by the Mainboard Rules) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:-
 - (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in sub-paragraph (a) above and this sub-paragraph (b), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (C) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (D) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (v)]

Resolution 8

Notice of Annual General Meeting

9. Proposed Renewal of the Share Purchase Mandate

THAT approval and authority be and is hereby given to the Directors of the Company:-

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “**Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other provisions of the Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; and
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

- (c) in this Resolution:

“**Prescribed Limit**” means that number of Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means an amount (excluding related brokerage, commission, stamp duties, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the Listing Manual for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

“**Date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

Notice of Annual General Meeting

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. [See Explanatory Note (vi)] **Resolution 9**

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Sim Yong Siang
Founding Chairman

Singapore, 10 April 2025

Explanatory Notes:

- (i) Ordinary Resolution 3 is to approve the payment of Directors' Fees for the Non-Executive Independent Directors of the Company during FY2025. If approved, the Non-Executive Independent Directors will be paid the 2025 Directors' Fees, out of which a total of S\$190,000 will be applied as consideration for the issuance of the Remuneration Shares 2025. The issue price for the Remuneration Shares 2025 is determined on the basis of the volume-weighted average closing price of the Shares traded on the SGX-ST for the five market days up to and including 3 April 2025, being the latest practicable date prior to the date of this Notice for the purpose of determining the issue price, and applying a discount of 10%. The issuance of the Remuneration Shares 2025 will be treated as an acquisition of Shares by the relevant Directors and such Shares will be issued out of treasury. Such issuance is subject to the listing approval of the SGX-ST. If the listing approval of the SGX-ST is not granted, the relevant amount of the 2025 Directors Fees will be paid in cash. The Remuneration Shares 2025 will rank pari passu with the existing issued Shares. The Non-Executive Independent Directors who will each, subject to shareholders' approval, be issued the Remuneration Shares 2025, will abstain from voting in respect of, and will procure their associates to abstain from voting in respect of, Ordinary Resolution 3.

Mr Gao Yong will step down at the conclusion of the AGM scheduled for 25 April 2025. For more information, please refer to the earlier announcement released on the same day as this Notice of AGM.

Mr Esmond Choo Liong Gee will be appointed as a Non-Executive Independent Director effective 1 May 2025. Further details can be found in the earlier announcement released on the same day as this Notice of AGM.

- (ii) Ordinary Resolution 4, Mr Sim Yong Siang will, upon re-election as a Director of the Company, remain as Founding Chairman and a member of the Nominating Committee. He is considered an Executive and Non-Independent Director. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Sim Yong Siang can be found under the "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.
- (iii) Ordinary Resolution 5, Mr Pong Chen Yih will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee. He is considered to be independent pursuant to Rule 704(8) of the Listing Manual of SGX-ST. There are no relationships including immediate family relations between Mr Pong Chen Yih and the other Directors or its 10% shareholders. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Pong Chen Yih can be found under the "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.
- (iv) Ordinary Resolution 6, Mr Sato Hiroshi will, upon re-election as a Director of the Company, remain as an Independent Director and a member of the Audit Committee. He is considered to be independent pursuant to Rule 704(8) of the Listing Manual of SGX-ST. There are no relationships including immediate family relations between Mr Sato Hiroshi and the other Directors or its 10% shareholders. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, detailed information on Mr Sato Hiroshi can be found under the "Board of Directors" and "Corporate Governance Report" sections of the Company's Annual Report.
- (v) Ordinary Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to issue further Shares and to make or grant convertible securities convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in aggregate 50 per cent of the total number of issued Shares excluding treasury shares and subsidiary holdings of which the total number of Shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company. As at 11 March 2025 (the "**Latest Practicable Date**"), the Company has 31,701,020 treasury shares and no subsidiary holdings.

Notice of Annual General Meeting

In this Notice, the number of issued Shares and treasury shares as at the Latest Practicable Date does not take into account the purchase by the Company of 300,000 Shares on 10 March 2025 (being one day prior to the Latest Practicable Date), as the purchase settled after the Latest Practicable Date. After the purchase, the number of issued Shares was 979,405,852 and the number of shares held in treasury was 32,001,020. Please refer to the Company's announcement dated 10 March 2025 for further details of the purchase.

- (vi) Ordinary Resolution 9, if passed, will renew the Share Purchase Mandate and will authorise the Directors to purchase or otherwise acquire Shares on the terms of the Share Purchase Mandate as set out in the Letter to Shareholders dated 10 April 2025 (the "**Letter**").

The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the number of issued and paid-up Shares as at the Latest Practicable Date and on the assumption set out in paragraph 2.3.1 of the Letter, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 97,970,585 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 97,970,585 Shares at the Maximum Price of S\$0.72 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 97,970,585 Shares is approximately S\$70,538,821.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 97,970,585 Shares at the Maximum Price of S\$0.83 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 97,970,585 Shares is approximately S\$81,315,586.

The rationale for the authority and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 are set out in greater detail in the Letter enclosed together with the Annual Report.

Notes:

1. The AGM will be held, in a wholly physical format, at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Friday, 25 April 2025 at 10.00 a.m. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL <https://hrnetgroup.listedcompany.com> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. A member who intends to attend the AGM is encouraged to pre-register via the URL <https://bit.ly/HRnetGroupAGM2025> or scan the below QR code:



Appointment of Proxy(ies)

3.
 - (a) A member who is not a Relevant Intermediary* is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
 - (b) A member who is a Relevant Intermediary* is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967. A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
4. A proxy needs not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

Notice of Annual General Meeting

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (i) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com.

and in each case, must be lodged or received (as the case may be), by 10.00 a.m. on 22 April 2025, being 72 hours before the time appointed for holding the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email to the Company's Share Registrar.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
7. CPF and SRS Investors who wish to vote, should approach their respective CPF Agent Banks and SRS Operators to appoint Chairman of the Meeting as their proxy, at least 7 working days before the AGM.
8. A Depositor's name must appear on the Depository Register maintained by the Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

Submission of Questions

9. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:
- (a) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.proxy@boardroomlimited.com. When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/ or scrip), for verification purposes. All questions submitted in advance must be received by 5.00 p.m. on 17 April 2025.
10. The Company will address all substantial and relevant questions received from shareholders by the 17 April 2025 deadline by publishing its responses to such questions on the Company's website at the URL <https://hrnetgroup.listedcompany.com> and the SGX website at the URL <https://www.sgx.com/securities/companyannouncements> at least 48 hours prior to the closing date and time for the lodgement/ receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 17 April 2025 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
11. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Access to Documents

12. The 2024 Annual Report and the Letter to Shareholders dated 10 April 2025 (in relation to the Proposed Renewal of the Share Purchase Mandate) have been published and may be accessed at the Company's website at the URL <https://hrnetgroup.listedcompany.com>.

The above documents may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/companyannouncements>. Members may request for printed copies of these documents by (a) completing and submitting the Request Form sent to them by post, or (b) sending an email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.requestform@boardroomlimited.com with "Request for Printed Copies of 2024 Annual Report and Letter to Shareholders dated 10 April 2025" as the subject of the email, and state their full name (as per CDP, CPF, SRS, and/ or scrip-based records), mailing address, telephone or mobile number, and the manner in which you hold the Company's shares, in both cases, by 5.00 p.m. on 17 April 2025.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services license to provide custodial services for securities under the Securities Futures Act 2001 of Singapore and who holds shares in that capacity; or

Notice of Annual General Meeting

- (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively the “**Purposes**”).
- (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

**ANNUAL GENERAL MEETING
PROXY FORM**

IMPORTANT:

1. The Annual General Meeting (“AGM” or “Meeting”) will be held, in a wholly physical format, at 391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873 on Friday, 25 April 2025 at 10.00 a.m. **There will be no option for shareholders to participate virtually.**
2. A member who intends to attend the AGM is encouraged to pre-register via <https://bit.ly/HRnetGroupAGM2025> or scan the QR code at the end of this form.
3. Please read the notes overleaf which contains instructions on, inter alia, the appointment of a proxy(ies).
4. For investors who have used their CPF monies to buy the Company's Shares, the Annual Report and Letter of Shareholders dated 10 April 2025 is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
5. An investor who holds shares under the Supplementary Retirement Scheme (“SRS Investors”) and CPF investor who wishes to vote should approach their respective SRS Operators and CPF Agent banks to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the Meeting.
6. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS Investors.

I/We _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a *member/members of **HRNETGROUP LIMITED** (the “Company”), hereby appoint

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing which, the Chairman of the Meeting as *my/our proxy/proxies, to attend, speak and vote for *me/us and on *my/our behalf, at the AGM of the Company to be held at **391A Orchard Road, #23-03 Ngee Ann City Tower A, Singapore 238873** on **Friday, 25 April 2025 at 10.00 a.m.** and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For	Against	Abstain
	Routine Business			
1.	Adoption of Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2024 together with the Auditors’ Report			
2.	Declaration of a final tax exempt (one-tier) dividend of 2.13 Singapore cents per ordinary share			
3.	Approval of payment of Directors’ fees of S\$250,000 and related expenses, including the issuance of the Remuneration Shares 2025, for the financial year ended 31 December 2025, payable half yearly in arrears			
4.	Re-election of Mr Sim Yong Siang as Director			
5.	Re-election of Mr Pong Chen Yih as Director			
6.	Re-election of Mr Sato Hiroshi as Director			
7.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors and authority to fix their remuneration			
	Special Business			
8.	Authority to allot and issue shares and convertible securities			
9.	Approval of the Proposed Renewal of the Share Purchase Mandate			

If you wish your proxy/ proxies to cast all your votes **For** or **Against** a resolution, please tick with “√” in the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box provided in respect of that resolution. If you wish your proxy/ proxies to Abstain from voting on a resolution, please tick with “√” in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/ proxies is/ are directed to **Abstain** from voting in the **Abstain** box provided in respect of that resolution. **In any other case, the proxy/ proxies may vote or abstain as the proxy/ proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.**

Voting will be conducted by poll.

* Delete as appropriate

Dated this _____ day of _____ 2025

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/
or Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. Each of the resolutions to be put to the vote of members at the AGM (at any adjournment thereof) will be voted on by way of poll.

Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy needs not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The Instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (i) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com.

and in each case, must be lodged or received (as the case may be), by 10.00 a.m. on 22 April 2025, being 72 hours before the time appointed for holding the AGM.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email to the Company's Share Registrar.

5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/ her from attending, speaking and voting at the AGM if he/ she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised, failing which the instrument of proxy may be treated as invalid.
Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
7. A corporation which is a member may, in accordance with Section 179 of the Companies Act 1967, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. For purposes of the appointment of a proxy(ies) and/ or representative(s), the member(s)' full name and CDP account number (if applicable) and the proxy(ies)' or representative(s)' full name and full NRIC/ passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/ passport will need to be produced for sighting upon registration at the AGM. This is so as to ensure that only duly appointed proxy(ies)/ representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2025.



<https://bit.ly/HRnetGroupAGM2025>

For pre-registration of AGM attendance